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ECLASSIFICATION AND RETIREMENT OF EMPLOYEES
IN THE CLASSIFIED CIVIL SERVICE

PRELIMINARY HEARINGS

BEFORE THE

COMMITTEE ON REFORM IN THE CIVIL SERVICE OF
THE HOUSE OF REPRESENTATIVES

SIXTY-SECOND CONGRESS, FIRST SESSION

ON

H. R. 729, 750, 1298, 9242, and 11661

MAY 27 AND JUNE 1, 1911

COMMITTEE ON REFORM IN THE CIVIL SERVICE

HANNIBAL L. GODWIN, of North Carolina, <i>Chairman</i> .	H. GARLAND DUPRE, of Louisiana.
DAVID E. FINLEY, of South Carolina.	CHARLES A. TALCOTT, of New York.
ARSÈNE P. PUJO, of Louisiana.	FREDERICK H. GILLET, of Massachusetts.
CHARLES D. CARTER, of Oklahoma.	I. D. YOUNG, of Kansas.
MARTIN DIES, of Texas.	WILLIAM KENT, of California.
JOHN W. BOEHNE, of Indiana.	SOLOMON F. PROUTY, of Iowa.

L. B. HALE, *Clerk*.

WASHINGTON

1911

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[H. Res. 155, Sixty-second Congress, first session.]

Resolved, That the Committee on Reform in the Civil Service be authorized to have such printing and binding done as shall be necessary in the transaction of its business during the Sixty-second Congress.

[Passed May 8, 1911.]

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HOUSE OF REPRESENTATIVES,
COMMITTEE ON REFORM IN THE CIVIL SERVICE,
Saturday, May 27, 1911.

The committee met at 10 o'clock a. m., Hon. Hannibal L. Godwin (chairman), presiding.

STATEMENT OF DR. LLEWELLYN JORDAN, OF WASHINGTON, D. C., REPRESENTING THE UNITED STATES CIVIL SERVICE RETIREMENT ASSOCIATION.

Mr. JORDAN. Mr. Chairman and gentlemen of the committee, I am here this morning to make a brief statement with reference to a matter which has been pending before this committee. For many years the committee has been considering the question of how to deal with the increasing problem of superannuation, which is becoming quite serious throughout the entire classified civil service. It is safely within the limits of truth to say, that since this question has been under consideration by this committee, more than 50 different kinds of bills have been introduced. A few years ago the Keep Committee, which was a committee appointed by President Roosevelt, undertook the study of this question in the executive departments and in the independent Government establishments in the city of Washington, and, as a result of their extended study, covering more than a year, they made a definite recommendation which was transmitted by the then President to Congress, and which reached this committee.

As one of the results of that recommendation, Mr. Gillett, the then chairman of the committee, formulated a bill which bore his name, and which was subsequently reported from the committee and placed upon the Union Calendar of the House. The fate of that bill, like some other legislation which was subjected to the unfortunate situation brought about by Calendar Wednesday, was not taken up by Congress at the last session for consideration. Mr. Gillett has introduced the same bill, which is now pending before your committee, with some slight modifications. The modifications relate to the question of embracing within the purview of that bill the entire classified civil service, whereas the former bill restricted its operation to the District of Columbia. There is also pending before this committee the Austin bill. The Austin bill is constructed on essentially the same principles as the Gillett bill, although it differs from it, in two or three important particulars. The Austin bill carries a general increase of salaries of 15 per cent and is optional so far as employees now in the service are concerned. There is also pending before this committee a bill introduced by Mr. Hamill, of New Jersey, which is a straight civil-pension bill. The purpose of that bill is to retire the superannuated employees in the classified civil service wholly at the expense of the United States Government.

The United States Government, since it began, through the activities of the Keep committee, to study the question of superannuation in the classified civil service, has expended upward of \$15,000 in the collection and compilation of reliable statistics. These statistics are in a great measure available now. Now, we come before you, representing upward of 60,000 employees in this country, who are affiliated with the United States Civil Service Retirement Association, and ask you to give us an opportunity of being heard in advocacy of some proper, humane, and satisfactory way of dealing with these superannuates in the classified civil service. The executive committee of our retirement association, at its last regular monthly meeting, adopted a resolution, urging this committee to take up, at such time as they might find convenient, the consideration of these several bills. I transmitted a copy of that resolution to each member of this committee, and in response I received at least half a dozen acknowledgments from different members of the committee. The bill which our association is advocating is the Austin bill. The employees whom I represent, through the medium of the retirement association—and I am doing that by virtue of an executive exemption from the order which you have been considering in connection with the Lloyd bill—are willing to bear their proportionate share of the expense of launching this scheme of retirement if their salaries can be adjusted so as to meet the heavy deductions which would fall upon the poorer paid employees of the classified civil service, and the postal employees in particular.

Now, gentlemen, you have accorded me an opportunity of making this brief statement, and I want to close it by urging you, upon the conclusion of these hearings, if compatible with the public interest and with your desires, to investigate, as you have stated you would, the civil service. I want to close by urging this committee to give serious consideration to taking up this question. I believe that the time is now opportune, with the opportunity which you will have to consider these several bills, to formulate some kind of measure that will receive the support of this committee and which will receive the support of the House and Senate and which will receive the support of the taxpayers of this country. If the merit principle is to be maintained, the time has come, in the judgment of those who have studied this question closely, when something must be done to relieve the service of these superannuated people who are now clogging it, and to relieve that situation in some just and humane way. We have never yet had, and I hope we never will have, any Cabinet officer or bureau chief who would be willing to throw these people out, after years of faithful service, upon the cold charity of the world. Now, this is a serious problem which is costing the United States Government upward of \$2,500,000 annually. It has been repeatedly called to the attention of Congress by the President, by members of his Cabinet, and by bureau chiefs.

Mr. Stewart, who is appearing before the committee here, has written learnedly upon the subject with reference to his own branch of the postal service. I say, this is no new question, but it is a live question, and one to which I hope the committee will give serious attention.

The CHAIRMAN. I think the committee will be glad to hear from you on this subject later on, but we can not interrupt the hearings that we are carrying on now on this particular bill.

Dr. JORDAN. It was not my intention to offer that suggestion; it was my intention to apply for a hearing at the conclusion of these hearings.

The CHAIRMAN. I suppose it will be some time before we can conclude these hearings, in view of the requests for hearings on this bill, but when we do conclude I am satisfied that it will be the pleasure of the committee to hear from you.

Dr. JORDAN. Thank you.

Mr. YOUNG. Do you represent an organization of employees in the civil service?

Dr. JORDAN. Yes, sir; the United States Civil Service Retirement Association is an organized body of classified civil-service employees, which has had an existence of upward of 12 years.

Mr. YOUNG. Representing all the branches of the service?

Dr. JORDAN. Yes, sir; all branches of the service subject to the rules and regulations of the civil service. Permit me to say one word in that connection—the President of the United States, in connection with his order, has given this retirement association permission to work with this committee and to assist it in its labors in formulating any legislative measure. So we appear here by virtue of that exemption.

RECLASSIFICATION AND RETIREMENT OF EMPLOYEES IN THE CLASSIFIED CIVIL SERVICE.

COMMITTEE ON REFORM IN THE CIVIL SERVICE,
Washington, D. C., Thursday, June 1, 1911.

The committee met at 10 o'clock a. m.

The CHAIRMAN. The committee will be in order. This meeting was called for the purpose of hearing miscellaneous statements on the retirement bills. Gentlemen present who desire to address the committee will be allowed to do so now.

Dr. JORDAN. We have with us this morning Dr. Henry Frank, of the city of New York, who has given a great deal of consideration, as a public-spirited citizen and clergyman, to this question. I am anxious to be heard a little later, but with your permission I will give way now to Dr. Frank.

Mr. BUCK. As secretary of the National Civil Service Improvement Association of the business men of the United States, originally formed June 5, 1910, I journeyed to New York last Sunday night and met Mr. Elliott Goodwin, the secretary of the National Civil Service Reform League of the country by suggestion of John Joy Edson and other members of the National Civil Service Reform League of Washington, and asked Mr. Goodwin to furnish me with some speakers for our meeting at Masonic Temple. Mr. Goodwin said he did not approve of the action of this Business Men's Association in 1910; that the action of going to Congress to have 248 superannuated people restored to the service was against his personal views. He said in his office in New York City Monday morning that he was in favor of dismissing the superannuated people, and that a great many of the committee of the National Civil Service Reform League were of the same mind; that Mr. John Joy Edson and others who had these 248 restored to the rolls of the Treasury Department did it against his judgment; that they should have been dismissed then, as that would have been the beginning of the end of superannuation as continued in the executive civil service throughout the country.

I left Mr. Goodwin in that unamiable state of mind and called on Mr. Horace E. Deming, whom I found was in Connecticut. Mr. Deming's wife said Mr. Deming was not in sympathy with Mr. Goodwin, in no sense, that the superannuated people should be absolutely dismissed from the service without any attention being given to their past service; and that he undoubtedly would attend the meeting and speak in Masonic Temple on May 31.

I then went to Mr. Frank's residence on Madison avenue, New York City, and found him. Mr. Frank is here at my solicitation, on behalf of the association, and he will be the spokesman, together with Col. John McElroy, of Virginia, of the bar association, and we would especially plead that these gentlemen be heard at this time.

The CHAIRMAN. How much time will be required?

Mr. FRANK. Not very long.

Mr. BUCK. About 15 minutes.

STATEMENT OF DR. HENRY FRANK, OF NEW YORK CITY.

Dr. FRANK. Mr. Chairman and members of the committee, I thank you in behalf of the organization which has asked me to present this proposition to you, for the privilege of a few moments in which to make an explanation of what I understand their desires to be.

Now, you must first kindly appreciate the fact that I am not a politician, neither practical nor impractical; I am simply a citizen, and as such naturally interested in all movements that look to the betterment of the governmental transactions of the nation. As such I come merely to make what few remarks I shall, and I consider it necessary that I make this preliminary statement because I am quite well aware that there is a personal interest involved in this proposition; that an effort seeking the betterment of the civil service naturally involves the personal interest of those engaged in Federal employment, and I take it that the world, the citizenship at large, may probably so look upon it as merely a mercenary affair—that is, something that the individuals are interested in for their own betterment.

To get it clearly before our minds, we might say that we have three distinct propositions to consider.

The first is distinctively a monetary or financial proposition; or, let us say, the question of the sustenance of life, an economic proposition, relating to the individual.

The second, as I understand it, is a governmental proposition; that is, relating to the fundamental principles of the transaction of Government affairs; the matter of efficiency; the matter of expenditure; the matter of avoidance of unnecessary employees who are not, for one reason or another, properly capacitated to execute the duties which are incumbent upon them for the payment they receive for such services.

The third proposition, and which to me I will confess, gentlemen, is the greatest of all—that is, it makes the most intense and convincing appeal to me—is what I may call the humanitarian proposition. That is, the consideration of this problem from the point of view of the large necessities of human beings and of the race in general.

Now, to address my words, in the first place, to the matter of the financial support of our Federal employees. I do not claim to be here with any definite information regarding the matter of salaries, and I will defer such statement to those better informed. I am simply referring to the matter in a general way as it is understood by such of the citizenship as have at least partially informed themselves concerning the situation. I am informed that the general salary which prevails among the several thousand Federal employees is not of such a character as to give them the opportunity in life which they should have as citizens of this country to carry forward the practical workings of their lives, to procure necessary comforts, to raise their families, to educate their children—in other words, to environ themselves with such a situation as we would expect the employees of this country to be privileged with.

We hope at least that the men, and the women, too, that this great Government employs will be so remunerated that their humanity, their self-respect, their manhood and womanhood, will not be infringed upon by the necessities which economic restrictions compel because of the fact that they are not properly provided for out of the funds of

this great Government to make themselves as comfortable as they should be in accord with their social positions. Further than that, I will not remark upon that situation, as I think gentlemen are present who can give more detailed information.

The second proposition, however, is one to which I can address, perhaps, a few more particular and detailed words. We, the citizens of this country—and you will understand that in my humble way and in behalf of the organization I represent I speak for the general citizenship of the country—the vast mass of human beings constituting the 90,000,000 inhabitants of this Nation, are simply lookers-on at the transactions of this mighty Government. We on the outskirts of course know very little of the details; we know very little of the minutiae of the Government business that the gentlemen who are here in the employ of the Government are privileged to understand. But the one fact that we feel it is incumbent upon us to emphasize is this, that the business of the Government should be transacted upon a business basis, it should be transacted upon an economic basis, upon a scientific basis, upon a standardized basis. In other words, the object of this Government in transacting its affairs should not be to recklessly dispose of its money, on the one hand, nor in niggardly fashion to withhold its money, on the other hand, in connection with such demands as are made upon it for the performance of the duties to which they require the citizens of the country to devote themselves. Therefore the great question of efficiency enters in. That is the *quid pro quo*; how much are we, as the citizens of this country, getting from the employees that our Federal Government utilizes in return for the salaries which they procure for the work they are doing?

Now, I do not believe that any general complaint has arisen throughout the country in this regard. As a matter of fact, I think there is a vast amount of ignorance and no less indifference among the multitudinous citizens of the Nation in regard to this matter, because they are almost universally uninformed about it.

But when we study the question of efficiency we find it necessarily involves the availability of the merit system, and the problem as to the extent of time men may be engaged in Government service before evidencing such failure of faculties as detracts from the efficiency of their labors.

In so much as the merit system is operated by the United States, it should be a merit system from A to Z; it should be a merit system all along the line to make it both just and efficient. If, for instance, the younger men who enter into the service must pass rigorous examinations in order to procure their Federal appointments, and then, after they enter into the service discover that there is a large number, several thousand employees as I am informed, who because of their long service and their exhausted faculties are no longer able to perform their duties, but enjoy their sinecures to the utter disadvantage and discouragement of the younger employees—who because of the privilege they enjoy of receiving their salaries without performing a tithe of the work which would constitute an equivalent for their pay, unsettle the entire system which is supposed to be based wholly upon merit.

Such a state of affairs necessarily throws a vast amount of additional work on some of the force and makes meritorious promotions

quite infrequent, or at least not as certain and methodical as they should be to maintain the discipline and enthusiasm of the employees.

Now, then, efficiency in Government employment, based upon the proposition of merit, can not exist if as you approach the end of the system, so to speak, the whole system falls down. If, in other words, you find out the merit system does not prevail in the latter end of the service, but is insisted upon only in the early stages, it discourages the force all the way along, because it is not rigorously and efficiently maintained to the very end.

We know that it discourages promotions and demeans the manhood to such an extent that some of our great representatives—I believe it was President Roosevelt himself, who only a few months ago made the statement to the young men of the country that they should not regard it as one of the ambitions of their lives to enter into the Federal employment through the method of examinations and upon the basis of merit and promise of promotion, because it was too discouraging. If a young man entered into the employment of his country there was scarcely any hope of promotion for him. He would get up to a certain stage, and there he stays; he has no opportunity to utilize whatever inventive genius he may have or any personal initiative he may possess. He is a machine, and it ends there. So that it was President Roosevelt, I believe, who advised the young men of the country if they wished to enter into political activities they should do so indirectly, by first entering one of the professions, such as law, or even engage in the mercantile line, and first procure a good position. Then, when he had reached a point where he had achieved the respect and honor of his constituents, he might look for political preferment. Then he can enter politics with honor and dignity and be highly respected and not be a mere service machine in the employment of the United States.

Now, I protest as a citizen that that is not the ideal upon which service to this Nation should be solicited. I am quite convinced such an ideal is demeaning to the manhood of the employees. But unfortunately it seems to be true.

To give you a little personal experience: When I was a lad I had a cousin in the employ of the Federal service. As I was tottering out of high school, having passed my examinations and received my diploma, I said to my cousin, "I believe I will go into the Federal service." He patted me on the back: "My boy, don't ever do a thing like that; it will be death to you. I have been in the service 10 or 15 years myself. Look at me. I can not get any further on than where I am now." And he was an efficient, capable man. I remember that, although I had already written for my examination papers, I became utterly discouraged, and said, "I believe you are right." You will pardon me if I say that since that day I have thanked the good graces of Providence that through the instrumentality of my cousin I was prevented from entering the Government service.

There are too many discouragements in the service, discouragements that are not legitimate, that are not necessary, that are caused by removable dead-weight, by insufficient salaries which I believe the economic demands of the Nation do not justify.

Mr. TALCOTT. You mean when a man gets to a certain point he is limited?

Mr. FRANK. Yes. He is held down like a machine. He is like a man in the factory nowadays who touches a button that moves a certain machine, and that is as far as he ever gets; he can never become anything more than that because economic necessities in the division of labor limit him to that restricted work, and it is necessary in the present methods of manufacture. You take him out and put him in an office, and what can he do? He can do nothing but what he has been so long doing. He is not good for anything else.

That reminds me of a statement Mr. Buck told me a gentleman who holds high public office made to him regarding the problem of efficiency. That gentleman said in his opinion it was an absolute business requirement that when a man had reached the end, or was approaching the end, of his physical or mental endurance he should be shoved aside, be cast coldly away and let get on as best he could.

I can not believe for a single moment that this committee of the United States Congress will for a moment listen to such an inhuman and barbarous proposition as that. I would not treat my horse that way; I would not treat my dog that way. What a shame, gentlemen, to think that any man living in this humanitarian age, representing a body of citizens who stand for progress, for moral development and humanity, should suggest that after the Government has been privileged to employ certain of its citizens for a period of years, and, if you please, has squeezed out all their vitality, squeezed all of the juice out of their blood, so to speak, all the electricity out of their brain, should then say, "You are worth nothing more to us; go find what pasture you can; do whatever you can find to do."

I do not believe it is necessary to dwell upon such an unhappy suggestion before this committee. If I did, I assure you I would not like to be limited to 15 minutes, for I should feel like breaking the rules and talk for an hour. However, I do not believe you would listen for a moment to such an inhuman proposition as that.

In regard to efficiency, I would say this: In a conference which I held with Mr. Doyle, head of the Civil Service Commission, it occurred to us both that the present situation in the service was most unfortunate in that, because of the infrequency and discouragement of promotions, the brightest and brainiest talent of the Nation was not entering its employ, but going to the very corporations that have really become the Nation's enemies.

The money powers, the business, commercial, and corporate interests of this Nation have grown to such gigantic proportions that there is not a brain so brilliant, though I might say it were the brain of Zeus himself, the old god of the Romans, but that these companies could employ it in their service. They have the money, they have the power, they have, I might say, the logical coercion with which to drive into their employment any particular man under heaven they may need. What is the consequence? The consequence is they are absorbing the most brilliant, the brightest, the greatest minds this Nation has engendered in the prosecution of their business enterprises. On the face of it there can be no objection to their engaging whatever talent they may discover. But there is a very serious danger connected with this fact. The Supreme Court decisions handed down the other day against two of the greatest corporations of this Nation indirectly gives us the hint. It is now no longer anarchistic to say that many of the great corporations in this Nation

are illegal institutions; that they are undermining the fundamental principles upon which our Government was once established. The Supreme Court decisions plainly indicate that some of these large corporations are conducting not only an illegal but a criminal business, a business which if unchecked will utterly overthrow the existing Government.

Gentlemen, that simply means the United States Government has to protect itself against these great institutions. How are you going to do it? If indifferent talent is forced by necessity upon the Government for the Government to employ in defending itself against the superlatively brilliant minds that these criminal organizations procure——

Mr. DIES (interposing). You do not contend the department clerks are going to represent the Government against the corporations?

Dr. FRANK. But you have younger men coming into the service; for instance, you get them in the West, where they must protect the interests of the people against the stealthy and cunning methods of these encroaching corporations.

Mr. DIES. Here is the Attorney General of the United States, a very brilliant lawyer, who has been very successful for the Government. He was glad to leave one of the great corporations to become an honored representative of the Government. Then, take a recent Senator from Iowa, who was very glad to leave the Government for a small salary.

Dr. FRANK. That is all right, when you have reached the height that Mr. Wickersham has. He has reached the height of his profession and has already acquired all the financial remuneration he could from that source, or probably desires from that source.

Mr. DIES. You take the Steel Corporation. They may want a man of great genius like Mr. Schwab to be the head of it, but they do not require 200,000 or 300,000 geniuses to work in the furnaces. Do you contend the Government needs 400,000 geniuses?

Dr. FRANK. I do not say we must change the standard of efficiency that we require for the leading officials or for the heads of the departments or even the secondary heads of departments. I do not say they must be all upon the same standard. What I am discussing is the assertion that has recently been made by certain of the most representative and distinguished citizens of this country, namely, that the younger men who contemplate entering into the governmental service who have ability, who have intellect, would better not enter, because they can employ themselves to their own advantage far better in different professions and avocations in life.

What I am getting at is, we have no business as a Government to put the standard upon which we employ the talent of this Nation upon such a basis as that; I do not think we are justified in it.

Mr. DIES. As a matter of fact, don't you know it is a matter of fact that the Government pays more money for similar service than private enterprises right here in Washington and in other cities of the United States?

Dr. FRANK. It undoubtedly does for a certain proportion.

Mr. DIES. Take the great body of 411,000 Government employees, is it not a fact that the Government pays them 25 per cent more than private enterprises for the same kind of work?

Dr. FRANK. Let us look at that proposition for just a moment.

The CHAIRMAN. Do you admit that?

Dr. FRANK. I hardly do, although I confess I am not going to make a denial of it in so much as I have not at hand the data with which to make a denial. But I am strongly inclined to think that is not so. I have been told, for instance, by the employees in the Federal service in New York City that many of them are working at \$1,200 a year and trying to live with their families upon it. I think Mr. Buck told me there were in this city some 4,000 who were trying to raise their families upon \$1,200 a year. Is not that so, Mr. Buck?

Mr. BUCK. Secretary Doyle is authority for the statement there are 4,600 men, with wives and families of 4 children, as a minimum, that are getting less than \$1,000 a year in the executive civil service in Washington.

Mr. DIES. I do not doubt it, but I say if you will look among the stores and offices you will find several more thousand who are getting just about half of that.

Dr. FRANK. If that were so, I say to the Government that you have no business to sacrifice the manhood and the womanhood of those who are employed by the United States Government upon that low, financial basis, which the grasping, aggrandizing, commercial interests of this country demand. That is the way I would answer that. Do you mean to tell me you think this great Government of the United States should employ the scandalous methods that are well known to be employed by men who own the great department stores of this country? Why, gentlemen, I do not want, for a moment, to dwell upon that. You know very well the situation in such institutions, where young women who come there asking for employment are given employment for a few dollars a week, and when they turn to the manager and say, "Why, sir, I can not live upon that," the answer is, "Have you no friend?" Do you want that circumstance to enter into the transaction of the business of this country?

Mr. DIES. Does that condition prevail in Washington?

Dr. FRANK. I am not talking about Washington. So far as Washington is concerned, you have the statement, made by Mr. Buck, that 4,000 men in this city are employed, trying to raise their families of 4 or more children, upon \$1,000 a year. You know that can not be done respectfully. Your standard of sustenance here in Washington is not much lower than it is in New York. You can not make me believe that those gentlemen can raise such a family as that in the manner that, as citizens of this country, you would want to see every citizen raise his family. I can not believe it.

Mr. FINLEY. Can the statement you have just made in regard to women employees be sustained?

Dr. FRANK. What is that?

Mr. FINLEY. The statement you made that, after offering people so much for their services, and the reply was made they could not live on that, they were met by the statement, "Have you a friend?" Can you substantiate that?

Dr. FRANK. Yes, sir; I can. In 1884 the Massachusetts bureau of statistics of labor made a report concerning a searching analysis of the source of prostitutes in Boston, Brooklyn, Buffalo, Chicago, Cincinnati, Cleveland, Indianapolis, Louisville, Newark, New Orleans, New York, Philadelphia, Richmond, St. Louis, and San Francisco, which I think reveals some facts that indicate the statement I

have made is not exaggerated. In a vast number of employments for women and young girls the remuneration is so low that they must either starve or sell themselves to vice. The number of prostitutes examined was 3,866 and their original occupations numbered 23. Actresses, ballet girls, circus performers, singers, etc., supplied only 52, while workers in shoe and textile factories supplied 137, while employees of dressmakers, seamstresses, cloak models, and workers in shirt factories, button-hole makers, etc., supplied 505, and saleswomen in stores supplied 126, making together 631. Out of the entire 3,866 prostitutes, 1,236 came directly from their homes, without first entering any occupation. That is, then, the poorly paid occupations, because of the depressed condition to which the women workers are doomed, supply 2,650, or over 67 per cent. This would lead us to see much force in the statement of W. T. Stead, of London, when he declared that—

Prostitution is an effect, not a careless, voluntary choice on the part of the fallen.
* * * The recruiting grounds of the bagnio are the stores, where girls work long hours for small pay; the homes that have few comforts and practically no pleasures.

It must not be forgotten that the above statistics relate only to professional prostitutes, but are silent concerning the many thousands of kept women who live quietly in flats and apartments where their profession is not suspected. It is this class that are chiefly supplied from the better looking girls among the employees of the stores and sales departments. I might here also quote the words of Kate Richards O'Hare, a rescue-mission worker of many years' experience, who says, estimating that there are 600,000 public prostitutes in the United States and as many more who clandestinely eke out an existence by selling their virtue to make up for insufficient earnings:

The purchasers of woman's labor have taken into consideration the fact that she can eke out her earnings by the sale of her sex, and therefore have placed her wage below the cost of existence, and necessity compels that they sell their virtue for the bread their wages will not buy. * * * Ninety-nine per cent of the fallen women are those who have toiled long and earnestly in the endeavor to sustain life by labor and in the end have been forced to sell their sex as well as their labor power to the men who control the machinery of production.

These citations, I trust, are sufficient to satisfy this committee that my assertion as to the insinuations of some employers when engaging women in their establishments is not an exaggeration, but a sad and appalling fact.

Mr. FINLEY. If that is the case, is there not a law in this country to get after such people as that?

Dr. FRANK. I certainly hope there is such a law.

Mr. FINLEY. That is rather a serious statement to make.

Mr. DIES. I think you are under a misapprehension. He made that statement with reference to the employment of women in department stores.

Mr. FINLEY. I don't care to whom it applies; whether it applies to the mercantile industry or to any other industry, whether governmental or private.

Mr. DIES. Your statement had no reference to Government employees?

Dr. FRANK. Oh, no. I am simply saying we do not want the Government employees to be put upon that low economic basis upon which those are in institutions of this country which are controlled by greed.

Mr. DIES. As a matter of right, why should 90,000,000 people of the United States pay so much more for services they require than a private individual?

Dr. FRANK. Have you ever averaged up that service? Of course, I have not. I shall have to defer this matter to gentlemen who have details. For instance, I have been told that the average money that has been paid to Federal employees of this country—the average, I mean—is not a sufficient amount with which to raise their families. They can hardly live by scrimping, by economizing, and limiting themselves to the utmost. For instance, I was told in New York City——

The CHAIRMAN (interposing). If that is true, why do they remain in the service?

Mr. DIES. Why does everybody try to get in the service? Why is it there are thousands of applications for Government employment?

Dr. FRANK. Why are there 10,000,000 unemployed in this country to-day?

Mr. DIES. I do not think there are.

Dr. FRANK. Or whatever the number may be. There are millions of them.

Mr. DIES. I do not think you can substantiate any such statement, that there are millions of unemployed in this country.

Dr. FRANK. I beg your pardon. If I had known this matter was coming up I think I could be able very easily to refer you to authorities to show you there are nearly 10,000,000.

Mr. DIES. Ten million unemployed?

Dr. FRANK. So the statement has been made to me.

Mr. DIES. Of adults?

Dr. FRANK. So the statement is made.

Mr. DIES. I can not believe it.

Mr. TALCOTT. That is more than 10 per cent of the population of this country.

Dr. FRANK. That is the statement that has been made. If you will take the *Encyclopædiæ of Economics*——

Mr. DIES (interposing). That is extremely shocking to my sense of statistics.

Dr. FRANK. Have you not heard that statement before?

Mr. DIES. Never.

Dr. FRANK. I am surprised.

Mr. DIES. That number of unemployed?

Dr. FRANK. Why, certainly.

Mr. DIES. Where are they?

Dr. FRANK. Look at the tramps traveling around the country. That is a good illustration. Here is another: For instance, I have a little country place of 15 acres upon the Hudson River, where I go in the summer. I went down the other day to take the train. There was a great big burly fellow at the station with handcuffs in his hand. As I stood there I saw a number of strange-looking fellows around. Pretty soon I saw this big fellow slip the handcuffs on a lot of them and go walking up the street. I asked where they came from, and was told they got them off the train. I said, "Do you mean to tell me you get a bunch like that off one train?" He replied, "Yes, sir; every day. There may not be so many every day, but we get anywhere from 6 to 25. Once I had 40 bunched all together marching up the street in handcuffs."

They had not done any crime; they were not criminals, but they were handcuffed. You asked me where they came from.

Mr. TALCOTT. What had they done?

Dr. FRANK. They were beating rides.

Mr. DIES. And every mother's son of them could be employed on some good farm for \$25 a month.

Dr. FRANK. How long would they be employed? For but a few weeks. Then they would have to go scampering over the country again.

Mr. DIES. The idea of good strong healthy men not being able to find employment.

Dr. FRANK. Have you ever tried to get a job?

Mr. DIES. Yes.

Dr. FRANK. I have. I claim I am, personally, probably endowed with the average ability of human beings. And I want to say as an illustration that I spent, myself, four days in the city of Cincinnati, when I was a lad, full of the vigor of youth, at about 18 years of age, looking for a job. I was a boy of education. I spent four days in the city of Cincinnati traveling every important business street in that city trying to get employment, and could not get it. Do you tell me that condition does not prevail? It seems to.

Mr. FINLEY. Let us analyze that statement. As a matter of fact, 30 per cent, or 30,000,000 of our people, are employed in agricultural pursuits. That leaves 60,000,000 of our people. Ten millions of that number would be quite a proportion.

Dr. FRANK. Have you ever stopped to think how long many of them are employed? Have you ever been on the trains of the Northwestern and the Great Northern Railroads in the month of August? I have. Have you ever seen the great mass of them that are swept up from Illinois and south of there to Wisconsin, to Dakota, and Minnesota, and put out on farms, where they stay—how long? They gather up this great mass of unemployed for a few weeks only to gather the harvest, and then the army is scattered abroad to beg, steal, or starve.

If you have ever been around Fleischmann's Bakery in New York City, you will have seen 200 or 300 men, or more, in the bread line. These are all unemployed. Such castaways as these are perhaps rounded up for a few weeks to help out the rush season on the farms and then must again look hopelessly for employment till they turn up again at Fleischmann's for a biscuit and a cup of coffee.

Mr. TALCOTT. There is a similar condition during the hop season, but they are not only the unemployed. They come from factories, people who like to take a vacation in the country. They will take that opportunity of going out in the country and picking hops; a good healthy occupation.

Dr. FRANK. I am not referring to those. Those are mere factory girls who want an occupation.

Mr. TALCOTT. And so I think in your case you will find those are not all unemployed, but that a large proportion are people who have some regular employment.

Dr. FRANK. I submit that is a good proposition for this committee to investigate. I submit, if you want the data and details, you ought to take the matter up and make an investigation.

Mr. DIES. Don't you know, as a matter of fact, that one of the great economic problems of this age is the scarcity of farm labor,

and that the increased cost of living, the high price of production, is directly the result of the scarcity of farm labor, the scarcity of those who are willing to go out and cultivate the soil in our country?

Dr. FRANK. Have you ever had experience in trying to get city men, men who are employed in commercial lines, to go out in the country and do work?

Mr. DIES. That is not the fault of the Government.

Dr. FRANK. You must understand, too, that there are lots of these boys brought up in the city, and men, who are out of employment, who are not worth anything for farming, if they could get a chance at it.

If you want me to tell what I think about that, I think the Department of Commerce and Labor has one of its great opportunities right there, to make an investigation of this whole proposition about which we are talking much at random here, and see if there is not the possibility of regulating the labor of this country, by letting different sections of the country know the wants of other portions in order that the demands of one section may be brought to the attention of another.

In order to substantiate my statements as to the unemployed of the Nation, I wish to submit the following information to the committee:

The Massachusetts Bureau of Labor published its report in 1887. It showed that for the year preceding the census taking out of 816,470 persons engaged in gainful occupations there were 241,589 out of employment. That is, those unemployed represented 29.59 per cent of those who should be normally employed in the occupations considered.

It must of course be understood that by "unemployment" is not meant total unemployment, but merely that a portion of the time which should be devoted by artisans or hands to work is not so employed. As I shall soon show, the number in the entire country who are thus deprived and are therefore to be classed with the destitute approaches the appalling number of 10,000,000.

Mr. C. D. Kellogg, of the New York Charity Organization Society, and Prof. R. T. Ely, of Wisconsin University, some years ago independently figured out that there then existed 3,000,000 persons in the United States who were receiving pauper aid. (See Encyclopedia of Social Reform, p. 1349.)

Quoting from Robert Hunter's recent work on Poverty, he says:

In the last census the number found to be unemployed at some time during the year was 6,468,964, or 22.3 per cent of all workers over 10 years of age engaged in gainful occupations. * * * In manufacturing alone the unemployed ran to 27.2 per cent of all the workers.

The census taken in Massachusetts in 1895 showed 252,456 persons irregularly employed. This means that 27 per cent of all persons covered by the inquiry were idle some portion of the year. But this refers to the skilled artisans.

Among the unskilled the conditions are far worse. This is shown by the report of the Federal Department of Labor (Ninth Special Report, Bureau of Labor, p. 29), where an examination was made of the Italian laborers in Chicago. It was there shown that of the 2,663 employed in remunerative occupations 1,517, or 56.97 per cent, were unemployed some part of the year. It was shown that these

wretched laborers were actually employed on an average of only four months during the year, the remaining eight months being spent in enforced idleness. Now, when we consider the wages that they received we shall appreciate what unemployment for eight months means to them. The average wage did not exceed \$6 per week, and it ran down as low as \$4.37 per week.

Considering such facts as these, Robert Hunter makes the following comment and estimate:

On the whole, it seems to me that the most conservative estimate that can fairly be made of the distress existing in the industrial States is 14 per cent of the total population, while in all probability no less than 20 per cent of the people of these States in ordinarily prosperous years are in poverty. This brings us to the conclusion that one-fifth, or 6,600,000 persons in the States of New York, Massachusetts, Connecticut, New Jersey, Pennsylvania, Ohio, Illinois, Indiana, and Michigan, are in poverty. Taking one-half of this percentage and applying it to other States, many of which have important industrial communities, * * * the conclusion is that 10,000,000 persons in the United States are in poverty. This includes the 4,000,000 who are estimated to be dependent on some form of public relief.

I submit, then, that I have not exaggerated when I stated that there were millions out of employment in this country, and that 10,000,000 were so situated that they had not the opportunity to secure such means of livelihood as would sustain them above the poverty line, but are submerged to the ranks of paupers. I grant you this is an almost unbelievable state of affairs; but none should be more impressed by the facts than you gentlemen, who make the laws of the land.

If I may be pardoned for presuming to present further information on this sad condition to the committee, allow me to state that Waldron shows in his *Manual of Currency and Wealth*, a standard publication, that there are—

more than 4,000,000 families, or nearly one-third of all the families of the Nation, that must get along on less than \$400 per year. More than half the families of the Nation get less than \$600 per year.

That is, 4,000,000 families would mean at least 12,000,000 souls (allowing only one child to a family) who are on the verge of destitution, or at least must undertake to subsist on less than what is requisite to any sense of comfort. What wonder, then, that thousands of children in the big cities go to school hungry, without any breakfast.

Mr. DIES (interposing). You talk about the horror and inhumanity of the Government employing a man for some period, and seeing him get old and incapacitated. Is it not just as horrible to see an old farmer, who has farmed 40 or 50 years, get to that age where he can not continue in the activities of life; to see him, having worked all his life, get old, without a penny, and unable to continue his active work. Is not that horrible also?

Dr. FRANK. Yes; but here is the point: He is responsible only to himself. In the other case, the man has been employed; he has given his services to the Government, which should take care of him after he has gotten old in the service.

Let us cast aside the main principle for a moment and take the fiscal proposition; take the proposition of money. I think that will appeal to you. I think it will appeal to the citizens of this country who want to see the Government conducted upon a business basis, and see whether or not there is a waste of the moneys that the Government is paying out. I am informed that there are a number of employees

right here in Washington doing work that a boy for \$200 or \$300 a year could do, who are now so incapacitated they can not do the work for which they are being paid and for which they receive several thousand dollars a year. That means there are millions of dollars being wasted in this country in a similar manner.

Mr. DIES. Those men are too old?

Dr. FRANK. Too old to do their work, I am informed. They have exhausted their energies and they can not carry out the duties to which they have been assigned and for which they are remunerated. Do you deny it?

Mr. DIES. No; but I do not think there are a great many old men in the service. I saw a statement yesterday that Justice Harlan was 78 years old. He is doing the same work on the Supreme Bench as he did 40 years ago.

Dr. FRANK. Now, look here: You, doubtless, are scholar enough and possibly physiologist enough to know that the use of the brain cells gives a man a better chance to live to an old age than in the case of the man who employs his nerve or muscle cells. That is the reason why such men as Mr. Justice Harlan live to a good old age in the full possession of their faculties. But the men who are compelled to use the lower cells of the body give out quicker.

Now, gentlemen, I can not get it into my head that it is right to say to a man who has been employed many years by this Government, when he is worn out and exhausted—"Get out; we are through with you." Great heaven; just put it to yourself. Suppose you were a man 60 years old——

Mr. DIES (interposing). I am not demanding that the Government should turn out anybody when he becomes old.

Dr. FRANK. What I am contending is this: It is inhuman, it is barbarous, savage, to say to a man, after he has been employed 30 or 40 years by this Government and has reached the age, say, of 60 or 65 years, and is now going around in a shaky way, with his nerve forces largely exhausted—I say it would be barbarous, damnable, for this great Government to insinuate that after it has used up all his vital energy he is to receive no further consideration and must be turned out like a broken-down horse to hunt for pasture where he can.

Mr. DIES. What are you going to do with him?

Dr. FRANK. Pension him; give him something to keep him in the last years of his life. I believe if we were to put that to a referendum vote, to the people of this Nation, if the matter was properly agitated and discussed and explained to the citizenship of this country, I do not believe you would get anything like a respectable minority that would oppose it.

Take my own case. There is nothing to me in this. I am not a politician, either one way or the other. I am only a citizen, and my interest in this matter is prompted by the humane principles that underlie it. For instance, Dr. Jordan knows very well how I happened to become interested in this movement. He heard me make a speech before the Civic Alliance, and thereupon remarked that it would be well to invite me to speak for the retirement organization. I made a speech at several of their meetings, and grew more and more interested in the question of the treatment by the Government of its employees; I became interested, as I believe all good citizens should, in what struck me as injustice and unnecessary inhumanity.

But I saw a little further. I saw the proposition involved the fundamental principle of sincere democracy and human brotherhood. But it is none the less a strictly business proposition. The great corporations of this and other countries are far in advance of this nation and are pensioning their old men. Now, why do they do this as a business proposition? They say they are saving money, for they are getting the younger generation to come in with new force and energy and do the work that the older men can no longer do. They are saved much depletion of their treasury by losses which these older men would cause them, because of their exhausted skill. So it is a good financial proposition on the part of these corporations to pension their older men.

Now, if it is possible for these successful enterprises, the railroads and others, to provide pensions for their old employees, why is it not possible for the Government to do the same after a man has served it 30 or 40 years and given the best years of his life to that service? These corporations say they do not lose money by it, and so, from a fiscal standpoint, why should the Government lose? Why should they not benefit the same as the corporations?

Mr. DIES. What would you say to the proposition that when the Government employs a man upon a salary, that every month the Government takes out so much of his salary and puts it aside for him? That is upon the assumption he will not do it for himself?

Dr. FRANK. That is a detail that Congress must decide. That is a plan that is adopted by the English Government and also by the French Government. It is not adopted, I believe, by the German Government. That is a detail that can be studied out and finally decided by Congress. There are various opinions as to that proposition.

All I am getting at is this: The purpose for which this organization stands and for which it invited me to make a speech here to-day is that something shall be done to advance the economic, financial, and domestic conditions of the employees of this Government, so that their salaries will be increased in the proper way, even if by slow stages. It can not be done all at once. Just make an entering wedge; just get a start, make an innovation or establish a precedent, so that the increase of salaries shall in some way be begun and the unpleasant economic embarrassment removed from the nearly half million men and women who are serving the nation in civil capacities.

I have occupied more time than I should, and thank you for your considerate attention.

STATEMENT OF MR. JOHN McELROY.

Mr. McELROY. Gentlemen, it seems to me there is no use of wasting time upon the business principle involved in this matter. I appeal to you upon the ground of highest public policy. I think that the Government of the United States should have the benefit of the very best service, the best intelligence, and the greatest integrity that it is possible to secure. Now, how is the best way to secure that?

Along the line of what has been said by the gentleman who preceded me, I desire to say that I served the Government four years as a soldier, but I never would go into it again, because it has no inducements for a young man. There are no inducements for a young man

to go into the United States service, who has any ambition in life. It seems to me that when the Government tries to obtain men it ought to offer inducements for the very best class of men that can enter the service and to remain in the service. There can be no better inducement, as has been proven by human experience, as has been proven by the experience of railroads and other corporations in this country, than to give the man an assurance of a livelihood when he has become superannuated.

Forty-seven per cent, I understand, of the employees of railroads and the great manufactories are now under a pension system.

The CHAIRMAN. What system? The taking of a certain part of their wage?

Mr. McELROY. Various systems. A general system is that which has been studied out by the New York Central and Pennsylvania, which gives a pension based upon the length of service and upon the average salary received in 10 years before they are retired. They are retired automatically. I have not the full information in regard to these systems, but I think the Pennsylvania system does it out of the funds of the company.

Mr. TALCOTT. A straight pension?

Mr. McELROY. Yes, sir. As it has been explained to me by those who are the recipients of this pension, they get a pension at a certain age, which will be based upon their earnings for the previous 10 years. Then the next element is the length of time they have been in the service.

I am editor of the National Tribune, and I find all the time men coming into my office, Grand Army people; they come in to see me, and from them I have learned that this is a system which has been adopted by the great corporations and great railroads all over the country, and which applies to 47 per cent of all the employees of these corporations, as I have been given to understand. They find it is good business policy, and I submit that the United States Government ought to lead us all in the matter of morals and justice and rightfulness, and not lag behind the corporations and the business men of this country in this important particular; they should certainly not lag behind all the great civilized governments of the earth.

Our civil service is to-day, I believe, the best in the world, but it has been made so by the men who are now in it—the men who went into it immediately after the war. I want to make a plea for the veterans who are now in civil service and who added to their good service to the country, a service of wonderful patriotism and devotion to the country, by following up this civil service and in maintaining its integrity. It seems cruel that after all this work, after these 40 years of service to the Government in civil life, added to the four years of service in the Army, that they should be turned out now without any compensation.

Mr. DIES. Are they being turned out?

Mr. McELROY. I will say that 5 per cent of my time is taken up in going from one department to another trying to save some man from demotion or to secure him his place, and going to the President. I have been to the President repeatedly. The President has said no veteran shall be put upon the sidewalk, but the next day the man comes in and says, "I am put on the sidewalk." You can make all the orders you please. You all know how well orders are carried out.

There is a new element that is coming in here which is ambitious for these salaries, and they are crowding out the old soldiers.

Mr. DIES. Those veterans all draw pensions from the Government, don't they?

Mr. McELROY. Yes. I am glad you mentioned it. How much do you suppose they are drawing?

Mr. DIES. That would depend on the work in the Army.

Mr. McELROY. I refer you to the report of the Commissioner of Pensions, which says they draw \$170, on an average, a year. That is \$3.40 a week for an old man to support himself and his wife. I am glad you asked that question.

Mr. DIES. But none of them have been turned out of the Government service, I believe you said?

Mr. McELROY. No, I did not say that; very far from it.

Mr. DIES. Didn't you say the President said they should not be turned out?

Mr. McELROY. The President says that, but what the President says and what the underlings execute are two different things. We find continually that these men are being turned out.

The CHAIRMAN. What per cent are being turned out now?

Mr. McELROY. I can not tell you. I hear of it constantly. They come to me to get me to make an appeal for their restoration. I have heard the President say that no matter what they made the law, they would take care of the Grand Army man.

The CHAIRMAN. You say it is part of your business——

Mr. McELROY (interposing). It is not my business.

The CHAIRMAN. Why can not you state what percentage is turned out?

Mr. McELROY. It is not my business.

The CHAIRMAN. Fifty per cent?

Mr. McELROY. No. It is not my business, because I am not officially designated for that purpose.

Mr. DIES. I confess the statement is very startling to me. It had been my information that the veterans of the Civil War in the departments were not being turned out.

Mr. McELROY. I will say this, that I think there have not been so many turned out during the past year. But I am speaking of individuals who have come into my office, where they have come in numbers, and they are coming in constantly——

Mr. DIES. Are not those just isolated cases?

Mr. FINLEY. There might be good reasons advanced in some cases.

Mr. McELROY. Wherever they are sufficient reasons, I drop the case. For example, a man called on me the other day. He is 74 years old. He showed me his book. He had a page as large as that blotter [indicating] filled with columns of figures, and without an erasure or change. This man is 74 years old, you know. I looked at it, and they footed up \$20,000,000. You see what that man is doing. And any day some immediate superior may say that man is inefficient, and you can not question it when his immediate superior says that, and he must be dismissed; you can not question that, because when you run up against that you are questioning the whole integrity of the Government.

Mr. DIES. That is a phase of this question I would be glad to have discussed. To say that one or two men, here and there, out of tens

of thousands, are let out of the service, would not amount to so much, but if there is a general movement of turning out old veterans who are in the Government service, I think the data on that point would be very interesting to this committee.

Mr. McELROY. It has not been my business to collate this data. I have only taken these instances that have come to my attention.

Coming back to the other principle, it does seem to me——

Mr. TALCOTT (interposing). Your argument is for a pension system that will take care of these old soldiers as well as others who are superannuated, and treat them fairly?

Mr. McELROY. Yes. I heard the other day that here in the Post Office Department, which you gentlemen must know, they had sent an inquiry around through the whole Post Office Department to find out what amount of pension each man got, and every man's salary was reduced to the extent of his pension which he was receiving.

Mr. DIES. That would be an outrage.

Mr. McELROY. It was told me; I have not investigated it.

Mr. DIES. Might not that be merely a false report that is flying around?

Mr. McELROY. No, I think not. I know the false reports and I know the others.

Mr. DIES. Let me get that statement down. You say the Post Office Department is finding out what pensions the old soldiers draw from the Government, and that they are reducing their salaries an amount equivalent to it?

Mr. McELROY. Yes.

Mr. DIES. If that is true, it is an outrage.

Mr. FINLEY. That statement seems to me not based on facts. I can not believe it is based on facts.

Mr. McELROY. If it is material to this committee, I will find the evidence.

Mr. FINLEY. It seems to me no such accusation or intimation should be made to this committee, unless you can back it up with facts.

Mr. McELROY. Very good, if you gentlemen desire it.

The CHAIRMAN. You ought to have the facts before making such a statement.

Mr. McELROY. I told you it was a rumor.

The CHAIRMAN. You ought not to come here and make charges unless you are prepared to back them up.

Mr. McELROY. In the first place, I told you it was merely a rumor.

Mr. DIES. I thought you stated it was a fact?

Mr. McELROY. No.

Mr. DIES. It would be so horrible, so inhuman, that I could not believe it, unless there was positive evidence of it.

The CHAIRMAN. The committee has no time to hear rumors. What we want are facts.

Mr. McELROY. If it is material to this committee, I will furnish the proof.

The CHAIRMAN. If you can obtain the proof, we would be glad to have it.

Mr. TALCOTT. I think as long as the question has been raised, it would be valuable to have it proven or disproven.

Mr. McELROY. I will investigate it and give you the facts. A number of men told me they had been reduced on that ground. That is all I can say.

All I desire to say is that it is a high business principle that the Congress of the United States can not afford to forget. I am appealing for the veterans, because I am most interested in them. I know how incapable they are after leaving the Government service to earn a livelihood in any other line.

I thank you, gentlemen, for your attention.

STATEMENT OF MR. FULTON R. GORDON.

Mr. GORDON. Gentlemen, I would like to make just a few preliminary remarks before leading up to the Lloyd bill, so that you will understand my position. Living in Washington 20 years, I have heard a great deal about the unfortunate condition of the civil department of our Government and the injustice that is being inflicted upon the clerks through discriminating methods. So last winter, feeling the clerks could not petition themselves, on account of the Taft and Roosevelt muzzle order, I undertook as a private citizen to call a monster mass meeting, which I did. I had at that meeting 6,000 persons, and newspapers have taken it up all over the country and an organization was effected. A little later Mr. J. W. Buck organized the National Civil Service Improvement Association.

In this connection I have to bring up a little matter which I do not do in unkindness to Mr. Buck, with all respect to him, and with respect to you gentlemen. As secretary of our association, he made a remark one night at a meeting to the effect that Congress should be horsewhipped.

Mr. BUCK. I quoted——

Mr. GORDON (interposing). I will let you explain that in your own time.

Mr. DIES. He said that certain ones who voted certain ways should be horsewhipped.

Mr. GORDON. On account of that remark it frightened the officers of that association, who did not want to be in the attitude of being disrespectful to Congress, and we all sent in our resignations.

The CHAIRMAN. Did he say they were going to be horsewhipped or should be horsewhipped? [Laughter.]

Mr. GORDON. Or words to that effect. As a matter of fact, I do not think what he said was reported accurately.

I want to say to you that all the business men of Washington have every confidence in you gentlemen. We have no representative here, but we feel you all are our representatives, and we have every confidence in you, gentlemen, and feel that you will exercise the highest wisdom in our behalf.

Another thing I would like to impress upon you gentlemen is the importance of this committee. I look upon it as absolutely the most important committee now at the Capitol, for the reason that you have the management and control of a pay roll of \$400,000,000—at least that—the largest pay roll in the world.

Mr. DIES. And you want to increase that, too.

Mr. GORDON. Yes, I would in some cases. There are some cases where it ought to be diminished.

The CHAIRMAN. Can you name any cases where it ought to be diminished?

Mr. GORDON. Quite a good many. The rank and file should be increased, but there are quite a good many who do not earn their salaries.

To show the importance of this committee again, it concerns the welfare of 400,000 employees. Taking in their families it runs up to a million persons, the happiness of which you have in your hands. If there ever was a chance for a grand patriotic work you have it now; to take a bold stand and put these employees upon the proper basis. It can not all be done at once. It will take a good many years to straighten things out; but things should not go on as they are now. Senator Aldrich said if you would put a business man at the head of the Government he could save \$200,000,000 a year. I believe that. I believe if you increase the pay of the rank and file and give them the proper incentive, so that they can exercise their ambition, you would see greatly increased results. They can not exercise their ambition now. It is destroyed.

Mr. FINLEY. We are getting at it as fast as we can.

Mr. GORDON. I want to try and help you a little. When Mr. Buck made those remarks, I said that was not the proper way to approach Congress. I said the reason Congress had not removed these evils was because they did not know about them. They increased their own pay, and that was right and proper—they were justified; and I said they would do the right thing for the clerks when the matter was properly presented. That is my honest conviction. I believe you will.

If I understand the Lloyd bill, it is virtually permitting the clerks to organize. I see no objection to their organizing for their own mutual benefit. You would permit them to organize on these lines. If you will grant them a charter from Congress and permit them to organize, you can add certain restrictions; and if you will do that you will strike one of the grandest blows you ever struck for good government.

Suppose you should give a charter to Government clerks to organize, advise them to petition Congress with an annual message each year, and advise them if they petition through that organization and not as individuals it would receive preference—give everybody, every charwoman, a chance to become a part of the organization and to bring their grievances to you gentlemen through their organization, after boiling down the facts, and if they come to you with proper grievances, remedy them. In this way every employee will have an equal chance, the standard will be raised, and you will give them an opportunity to exercise their ambition.

You can put these restrictions on the organization: Prescribe an oath—first, they shall not strike; they shall not advocate a strike, neither shall they resign in groups or body, and they shall not affiliate with outside organizations.

I tell you, if you do that, you will have the grandest organization in the world; you will have a constant repair shop constantly at work remodeling every department, from the smallest department up to the White House, and that is what you want.

Mr. DIES. You would not have them associate or affiliate with labor?

Mr. GORDON. No.

Mr. DIES. You do not think Government employees should have the right to strike?

Mr. GORDON. No, sir: if you do, you are striking against yourself. The Government clerk is the Government. I am opposed to strikes. One of the papers recently published here that I advocated strikes; but that was a slip of the pen. That was not true. I am opposed to them, and I am opposed to boycotting. I believe if they come here with the proper evidence and the facts, and put them before you, as intelligent people, you will right the wrong.

Mr. DIES. Under the law of the United States and the rulings of the departments, Government clerks of every grade can come to Congress through their departments; that is, up the various grades in the Post Office Department, for instance, through the Postmaster General; and the employees of other departments through their superiors to the heads of those departments.

Mr. GORDON. Yes, sir.

Mr. DIES. And the heads come to Congress. Congress looks to the heads of the departments for the rectitude of the service.

Mr. GORDON. Yes.

Mr. DIES. Now then, you advocate an organization of the employees of the Government, and you would let them come to Congress without consulting the heads of the departments, or their superiors, but come directly to Congress. Then to whom would Congress look, and who would be responsible for the Government then? To whom should Congress look for the rectitude of the service?

Mr. GORDON. You could look to both. You could hear the clerk. You could not get the truth from the heads of the departments. They have got to tell you it is all right. If I am the head of a business and if I tell you it is thus and so, the responsibility rests on me. If you want the truth, you have to get it from the clerks.

Mr. DIES. If the head of a department would not tell you the truth, why would the head of an organization tell the truth?

Mr. GORDON. That is for you gentlemen to determine. They must bring the evidence. You gentlemen are the judges.

Mr. DIES. When we say to the head of an organization that the Government service is retrograding, he is under no obligation to us; but when we say to the head of a department the service is retrograding, that he is not giving the proper service to the public, we have a man before us then who is the responsible party, responsible to the Government, responsible to Congress. In the other case we have a man who is responsible to those who made him the head of the labor organization, and who is not responsible either to the Government or to Congress.

Mr. GORDON. Every employee is responsible to the Government, and I consider one employee's word as good as another man's word. I think you should bear both, and you gentlemen should act as judges, not as mere Congressmen; but you should hear the matter as a court and go by the facts that are put before you.

Another thing in the Lloyd bill. It says that when you discharge a man you must give him notice in writing and give him a chance to answer in writing. That will not remedy the evil. If a man has the power to discharge you, whether in writing or not, he is going to do it, whether it is verbal or in writing.

Mr. DIES. Do you want to take away the power to discharge?

Mr. GORDON. No. Organize a court of appeals, and you will have solved the difficulty. Let a man progress as he does in the Army, according to time of service; that is, promote him according to time of service; take away from the minor officers the right to discharge and demote; give him the right to keep the man's record; if he places a demerit against him, let the man go before the court of appeals and clear himself if he is not guilty. Make that court of appeals immune from influence; make it a criminal offense to approach it; make it absolutely one that the clerks would have confidence in. Unless it is one the clerks have full confidence in, you know, it is not all right. If you do this, it will be a guaranty to the clerks that they are going to get fair treatment, and you will have their confidence. Adopt this plan, the court of appeals, gentlemen, and the clerks will double their work. Give them a chance. Don't muzzle their ambition; don't destroy it.

Mr. DIES. Gen. Stewart, the Second Assistant Postmaster General, said here before the committee some days ago that in his department there were 17,000 men in the postal mail service, and that last year 33½ per cent of them were promoted.

Mr. GORDON. Yes; they have a scale of promotions in some departments, but they ought to agree upon a promoting plan for all the departments along this line and have a minimum pay. Make your minimum pay about the same as the Army clerks—\$1,250 a year.

Mr. DIES. Can you give me the percentage of promotions in any of the departments here?

Mr. GORDON. No.

Mr. DIES. Might it not be as great?

Mr. GORDON. They promote, but it is not done fairly. I want it done fairly.

Mr. DIES. As I understand you, you have no facts to present.

Mr. GORDON. I have not the percentages you request; no, sir. That would be very difficult to obtain.

Mr. DIES. How can you say there are not enough promotions?

Mr. GORDON. No; I say the promotions are unfair, and I say the pay is not fair. The rank and file are underpaid. The rank and file average about \$800 a year.

Let me illustrate a case to you, that is, how unfair they are in making promotions; a case of which I know. The other day a young man was slated for a promotion of \$200 a year. It meant a lot to him. He had a family. A few days before he was to get that promotion, without any notice whatever, he was notified that he was transferred to another department. He had gained this promotion according to time of service and efficiency. It belonged to him. But he is transferred to another department in order to get him out of the way; not as desirable work, not as good pay, and a married woman in his office, whose husband is also in the department, and whose record is not as good as his, receives the promotion because of the influence of a prominent politician at the Capitol.

This is your present plan of promotion. In my court of appeals, the chief clerk would keep this man's record. If his record is bad, he could not receive a promotion. If an unjust demerit is placed against that man, he goes to the court of appeals and clears himself.

Mr. DIES. Yes; but if you had a court of appeals for 411,000 Government employees—

Mr. GORDON (interposing). Lord bless me! You would have to have a number of courts. You would not have merely one court. Of course, that would not be enough. But it will pay you. It will be the best investment you ever made in your life for the Government.

Mr. DIES. I would like to ask you one question. The members of your court of appeals would have to be men, would they not?

Mr. GORDON. Yes; but they would be high-grade men.

Mr. DIES. But the heads of your departments are high-grade men, too; and they surely would have no selfish purpose in keeping a good man down and putting a bad man up. What reason have you for believing the court would be fairer to the great body of employees than the heads of the departments would be?

Mr. GORDON. Take our courts on the outside. They do not enter into the selfish part. They act on the law and the evidence. This court would have to act upon evidence. Besides, they would be immune from influence. The clerk that has a demerit placed against him under this plan would have the right to go before that court, if he is not guilty, and clear himself. Just the same as you or I can do before our courts of law.

Mr. DIES. Don't you know that if the clerks who work for the Government were not responsible to their superiors——

Mr. GORDON. Yes; they are.

Mr. DIES (continuing). And should go over them to the court. that insubordination would be established in all the departments?

Mr. GORDON. But they are responsible. The minor official superintends him, keeps his record, and he can not hold his position unless he keeps that record clear. If he merits a bad record, the court of appeals can remove him, or demote him, like an Army court-martial does in reference to an Army clerk. And that is the plan I think should be pursued in the Government service. Take the case of the Army clerk, his minimum pay is \$1,250. He starts at \$1,250. He is promoted according to time of service and efficiency. After a certain time he goes up to about \$2,600.

Suppose the employee could get up to that in the civil service. Would that not result in better grade of men and women in the departments? Would the clerk not have a valuable life estate to protect? Would he not be under a bond to give the Government his best efforts instead of inferior efforts? Take this young man to whom I referred a few minutes ago, in reference to his transfer. Do you know what that man is doing now? He is holding on to the job he has with one hand, drawing the salary, and with the other preparing himself to enter business on the outside, which he will be able to do in a few months, and then he will send in his resignation. That is going on constantly in all the departments. Fifteen thousand resigned in a year, an increase of 400 per cent in eight years.

Mr. DIES. Do you know how many employees are applying for Government jobs?

Mr. GORDON. I know it is very large.

Mr. DIES. Who have already taken the examination?

Mr. GORDON. I know it is very large. But if they knew the truth they would not make application. I don't believe that one of you gentlemen, if you have a son, as I have, would permit him to enter the Government employ. I would not permit my son to enter, if I could prevent it. Why, Mr. Champ Clark, the head of your House,

who may be the next President, possibly, made a public speech the other day and advised young men not to go into the departments.

Mr. DIES. Don't you know he was talking to his constituency back home, about half of whom are trying to get into the Government service?

Mr. GORDON. I don't think you would let your son go in, anyhow.

Now, Government salaries are about on the same basis now they have been for years—that is, as to the rank and file, and the rank and file is what I am after. But the standard of living is not the same now as it was years ago; it is not like it used to be. A man can not take his proper position in life on what the Government pays him. And if he goes in, he has no opportunity to exercise his ambition as we have on the outside. I have not a relative in the departments, to my knowledge, and I am glad I have not. I am spending money—I have spent considerable money myself—and expect to continue to spend it to be of assistance to these clerks.

The CHAIRMAN. Mr. Gordon, a great deal has been said here about stifling the ambition of young men.

Mr. GORDON. Yes, sir.

The CHAIRMAN. What is your method of opening the door of hope to them?

Mr. GORDON. Just what I said, the establishment of this court of appeals, and a minimum pay, say, of \$1,200 per year, and establish the top at, say, \$1,800.

Mr. DIES. Is that any very great inducement to hand out to a genius?

Mr. GORDON. I am speaking of the clerks. I am not speaking of business men or professional men.

The CHAIRMAN. How do you measure that ambition?

Mr. GORDON. Give him a chance to show what he can do. If he conducts himself properly and does efficient work, and keeps his record clean, he will go up probably to \$2,000 in old age and be retired at two-thirds pay. If he is a clerk, he is going to try and hold that record. He has that valuable life estate to protect.

The CHAIRMAN. If you give him \$2,000, would he not want \$3,000?

Mr. GORDON. If that man makes himself efficient, he might become an officer. I advocate a school similar to West Point——

Mr. DIES (interposing). Is there greater efficiency among Government clerks who receive \$1,800 a year than there is among those who receive \$1,000?

Mr. GORDON. No, sir; very little difference. That is the fault of the management. I want to tell you I can take you down to the Treasury, where young ladies are working, all drawing from \$500 and \$600 up to \$1,400, and all doing the same work. It is a shame, and you should not permit it.

The CHAIRMAN. Tell us how to regulate it.

Mr. GORDON. Establish a minimum pay of \$1,200 to clerks. Have this court of appeals. Have a minor official or superintendent to keep these records. If a man's record is not good, present the facts to the court of appeals and have him discharged. Make it broad and powerful. Then you will remedy it. But treat all the clerks alike. Do away with this favoritism.

Mr. DIES. But, do you think this court of appeals, with jurisdiction over a great many thousand clerks, would know better when to

demote and promote than the immediate superior of the man who would have no selfish purpose?

Mr. GORDON. The immediate superior does know, but he don't go by what he knows. He is governed by outside influence. They move a man about just like you would checkers on a board. If you had lived in Washington as long as I have you would believe what I say.

Mr. DIES. And yet it is a fact that in the department stores and in the avenues of private employment all over Washington men and women are paid much less wages, much less salary, than in the Government service.

Mr. GORDON. You must not compare them with Government clerks. The class of clerks with whom Government clerks should be compared are to be found in banks and great corporations. And look how they treat their employees. Take the Standard Oil and the Tobacco Trust. Their salaries are better, they have the merit system, and the pension system. There is opportunity there for reward for efficiency and ambition. Take our department stores: They hire young children, girls and boys. They are not supposed to stay in there very long. When they learn something they get out. That is not a fair comparison to compare Government clerks with clerks in stores, because the character of work is not the same and the same amount of intelligence is not required.

But take the bank clerk. You will find no clerk in a bank that gets under \$1,200, except boys who are just learning, and they go up to \$2,500. You do not hear of any kicks among them, because they are treated like human beings.

Gentlemen, I am going to quit now, unless you want to ask me some more questions.

Mr. DIES. I will ask you this one: At some time during the hearing, will you bring to the committee some authentic data as to the number of employees in the Government and the character of their service and the amount of their pay—facts that show they are unfairly demoted and not fairly promoted; or some other set of data or facts that will give the committee a chance to make some reform in the civil service? It will be a matter of some interest to this committee.

Mr. GORDON. If you will summon men from the departments, and shut that door, and let in no newspaper reporter or representative in here, so that what the man says will never be known, we will startle this country by what he will tell you. But if what he says is to be known to all, you will not get it from him, because he would lose his position, and that he can not afford to do, because he can not get another position in a day.

Our good friend, Mr. Godwin, the chairman, says he has received a great many anonymous letters. Gentlemen, those who write these letters are drowning men catching at straws, writing anonymous letters, because they know they would lose their positions if they were to tell their names. I do not believe ordinarily in anonymous letters; but what else can these poor people do?

In answer, here is my idea: Make the Government clerk a partner——

Mr. DIES. But you have not brought any facts to this committee that the Government is not treating its employees well.

Mr. GORDON. You can not get at the facts, without you bring the men here, without putting them under oath. You can not do that.

Mr. DIES. Then it is a waste of time to talk glittering generalities.

Mr. GORDON. I can bring evidence; but you have so much more power. It is your place.

Mr. DIES. We have been getting mighty little of it. Gentlemen appearing before us have spent time talking in general terms.

Mr. GORDON. How much time could I have to get you that evidence together?

The CHAIRMAN. Any time during the summer.

Mr. GORDON. I will see what I can do to get evidence to prove to you that promotions and demotions are made according to the likes or dislikes of minor officials, and the powerful influence on the outside, and that merit counts for very little.

I will say, though, there is one department here where I have been told by the clerks that the rule of promotions is on the square. I wish you would summon that gentleman before you. I know him only by reputation. It is Gen. Ainsworth, in the War Department. His organization is on the basis of Army promotions. You know the plan. I understand if a Congressman goes up there and tries to exert influence he can not do a thing. It is absolutely on the square. He keeps the man's record and gives it to him every six months when he is entitled to promotion. He knows just how he is progressing and just when he is entitled to promotion. That is the plan pursued by Gen. Ainsworth in the War Department, and I say, God bless him for it. He is the only one I know of in Washington. I thank you very much.

STATEMENT OF DR. LLEWELLYN JORDAN, SECRETARY OF THE UNITED STATES CIVIL SERVICE RETIREMENT ASSOCIATION.

Dr. JORDAN. Mr. Chairman and gentlemen of the committee, the time is drawing to a close and I have very little left in which to bring to your attention what I have to say.

I am here for the purpose of urging before this committee the absolute necessity, from my viewpoint, of taking up seriously the question of superannuation as it affects the classified civil service of the entire country; and, considered in connection with that important question, a sensible and businesslike reclassification or regrading of the salaries of those employees who constitute what is known as the classified civil service of this country.

We have heard much discussion about the improvement of the service and increased efficiency. Dr. Frank has touched upon it, and every speaker to whom I have listened has referred to it. The President of the United States and the members of his Cabinet are at the present time engaged, through committees, in an attempt to reorganize within the present constituted service the personnel, and to reform the work so as to get the highest possible efficiency out of the present working force.

The members of those committees are confronted at the threshold of their labors with what to do with the superannuated employees, how to treat them fairly without separating them from the service.

Further than that, we find, as has been referred to by one speaker, that there are men and women doing the same kind of work and receiving grossly different pay. That condition was sought in a measure to be remedied by the committee under its former chairman and

a reclassification bill approved by that committee, and I assume by the majority of it, was reported to the House; but like the retirement bill it of course received no consideration.

I feel that no real improvement can be made in the classified civil service of our country until this reclassification scheme, whatever it may be, is adopted. Men and women doing the same kind of work should be paid, according to the wisdom of Congress, salaries commensurate with the work performed.

Let us turn for an example, if you will, briefly, to Canada. In the Canadian civil service they have grades and divisions. Men and women enter at a minimum salary, and within that particular grade to which they are appointed there are several subdivisions or subgrades. Within each one of those grades or grand divisions are established what are known as efficiency boards. I shall not take your time to detail to you how these efficiency boards are created.

But suffice it to say that twice a year, on the 1st of January and the 1st of July, men and women are rated. Their ratings are made public. They are open to the inspection of the rank and file.

The idea has been borrowed in part by Gen. Ainsworth and applied, as I am informed, with a great deal of fidelity in his department, so that an individual knows, from month to month, assuming his efficiency is maintained, that he is going to get a promotion within that grade when a vacancy occurs.

Now, then, when he is to pass from one grade or one division to a higher he is subjected to an academic test. He is tested principally upon his work, the character of work, and general routine of his office or of his bureau.

In that service they have the higher positions, known as the supervisory grades, open to men and women. So that an individual entering the Canadian civil service, which is modeled somewhat after the English, can always feel that if he is efficient and proves and demonstrates it, he can graduate into the higher and more responsible supervisory grades. In this way a steady flow of promotions is maintained, very much after the plan now followed in our Army, Navy, Revenue-Cutter Service, and the Marine Corps.

I believe that the civil service of this country must be put upon some such basis; such a plan has been repeatedly advocated by those in responsible authority. Mr. Roosevelt first advocated it, and later it was advocated by Mr. Taft. The National Civil Service Reform League, which is responsible in a great measure for the merit principle as applied to the Federal service, has repeatedly advocated and urged this reclassification and reform, as well as every bureau officer.

Now, then, when you have men and women put upon a proper basis, where they can look forward with reasonable hope to advancement, and they are receiving a pay commensurate with the work performed, then if you can couple with that some sensible and humane way of separating these people from the service when their ability or usefulness has ended, you will then, in my judgment, have brought the classified civil service of this country to a position where you will get the best brains and the highest intelligence of the men and women who want to serve this country usefully and loyally, as we all try to do or should try to do; and you will not invite, as you are now inviting, in my judgment, men to come into the Government service simply to make it a stepping-stone to something better.

It is to be regretted, from my viewpoint, that Congressmen advise their constituents, as I was advised by my Congressman, not to enter the civil service; that if I did every hope was abandoned. I did not take that viewpoint about it, because when I came into the civil service I immediately began to study the conditions of the service, in the hope that I might be able to contribute something toward the general improvement of the service by urging a businesslike reclassification of salaries, and the enactment of an equitable retirement law.

Departing slightly from the point of my remarks, I can say that I do not know to-day within the city of Washington a man or woman who represents Claiborne County, in the State of Mississippi, other than myself. If there be any here, I have not had the pleasure of meeting them, not because they have not been invited to come into the service, but because they believe there is absolutely no hope of their advancement.

Now, that is not right. This civil end of our Government must be run upon standardized, scientific, businesslike principles, and the Government should offer to the men and women who come to serve it the best opportunities for service; they should give to these people the encouragement of believing that when they come into the service they are going to be advanced, if they prove themselves efficient and meritorious.

Mr. DIES. Don't you believe, Doctor, as a matter of fact, that there are thousands upon thousands of men employed by the Government who render practically no service and who are kept upon the Government's pay rolls as a sinecure?

Dr. JORDAN. I am willing to admit, Mr. Dies, that there are men and women in the service who do not earn the full salary which is paid to them. But I will state this, and I can prove it by facts that are absolutely incontrovertible, that from one end of this country to the other the great majority of men and women who serve this Government give to it loyal service, and they give more than they are paid for, measured by the dignity and the standing which you want them to maintain.

Now, if I could appear in the presence of my superiors as I would appear upon my farm in Maryland, if I did not have to support a dignity and try to raise my family with the same due regard for high citizenship that a Congressman or a Senator feels that he should in his efforts to perpetuate and uphold the institutions of this country, then I could live on one-half the salary I am now compelled to try to live on. There are men and women to-day in the Treasury Department, of whom I have knowledge, who are getting only \$60 a month, who are trying to meet all the demands of citizenship in this community, where the cost of living, which you gentlemen in Congress have experienced, has gone up, where they can not live decently to save their lives and keep themselves out of the hands of the loan sharks.

Now I could tell you pitiful tales. I come in contact with the rank and file of that great department. I go into their homes. I see them when sick. I see them under conditions that a lawyer does not see them, that even the clergyman does not see them.

In conclusion, I wish to submit for the consideration of the committee a draft of a bill which seeks to increase the general efficiency

of the civil service through the means of a reclassification of the present salaries and the enactment of an equitable plan of retirement.

This bill has been drafted with a view to carrying out some of the ideas which now form a part of the Canadian civil service. The bill divides the employees into grades, and within each grade subdivisions are created and salaries fixed for each particular subdivision within each grade or grand division.

The bill contemplates the creation of efficiency boards. These boards will rate and determine the relative efficiency semiannually of all employees to whom the provisions of the bill apply.

In order that the salaries may be standardized with respect to the character of work performed a board of estimates has been provided for, to which all annual estimates for salaries will be submitted for study and general adjustment before transmission to Congress. Other features of the bill deal with the subjects of hours of labor, leaves of absence, removals from the service, and, finally, a plan for the mutual bonding of all employees in the civil service who serve the Government in a fiduciary capacity.

It is hoped that a further opportunity will be given for detailed hearings on the several retirement bills now pending before your committee. The United States Civil Service Retirement Association which I represent as secretary has indorsed the Austin bill, which provides for a general increase of salaries of 15 per cent and a contributory plan of retirement. The retirement features of this bill are generally acceptable to the employees of the classified civil service provided the salary increase provision is retained.

EXHIBIT A.

A BILL To increase the efficiency of the executive civil service.

CREATION OF ANNUITY FUND.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the first day of July next following the passage of this act there shall be deducted and withheld monthly from the monthly salary, pay, or compensation of every officer or employee in the classified civil service of the Government, except such of them as may not elect to become subject to the provisions of this act as provided in section fourteen, an amount, computed to the nearest tenth of a dollar, the sum total of which will be sufficient, with interest thereon at five per centum per annum, compounded annually, to purchase, from the United States, under the provisions of this act, an annuity for every such officer or employee, payable quarterly throughout life, from and after arrival at the age of retirement as hereinafter provided, equal to one and one-half per centum of his annual salary, pay, or compensation for every full year of service or major fraction thereof between the said first of July and the arrival of the officer or employee at the age of retirement. The deductions hereby provided for shall be based on such annuity table as the Secretary of the Treasury may direct and shall bear interest at the rate of five per centum per annum, compounded annually, and such deductions shall be varied to correspond with any change or changes in the salary, pay, or compensation of the officer or employee.

INVESTMENT OF ANNUITY FUND.

SEC. 2. That the amounts so deducted and withheld from the salary, pay, or compensation of each officer or employee shall be deposited in the Treasury of the United States and shall be credited, together with interest at five per centum per annum, compounded annually, to an individual account of the officer or employee from whose salary, pay, or compensation the deduction is made. The moneys so deducted and the income derived therefrom may from time to time be deposited in savings banks designated by the Secretary of the Treasury for that purpose: *Provided, however,* That the savings banks receiving such deposits shall pay interest thereon at a rate of not

less than four per centum per annum, compounded semiannually. For the safe-keeping and prompt payment of the moneys deposited with them and the interest thereon the Secretary of the Treasury shall require the savings banks to give satisfactory security, by the deposit of bonds of the United States, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued for municipal purposes by any city or town in the United States that has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt duly contracted by said city or town, and which has at such date more than twenty-five thousand inhabitants, as established by the latest national census, and whose net indebtedness does not exceed five per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessments of taxes; or any legally authorized bonds issued for municipal purposes by any city or town in the United States that has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized or contracted by said city or town, and which has at the date of deposit more than two hundred thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed seven per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes. In this clause the words "net indebtedness" mean the indebtedness of any city or town, omitting debts created for supplying the inhabitants with water, and debts created in anticipation of taxes to be paid within one year, and deducting the amount of sinking funds available for the payment of the indebtedness included. The Secretary of the Treasury shall accept, for the purpose of this act, securities herein described in such proportions as he may from time to time determine, and he may at any time require any such bank to deposit additional security or to substitute other securities of the kinds described above for securities already on deposit. It shall be the duty of the Secretary of the Treasury to obtain information with reference to the character and value of securities offered for deposit under the provisions of this section before their acceptance, and to obtain and furnish from time to time information to savings banks concerning such bonds as will be accepted as security. When consistent with the best interests of the several funds created by this act, the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably among the different States and sections: *Provided*, That, if for any reason the Secretary of the Treasury shall not deposit with savings banks all of said funds, then he shall invest the amount not so deposited in any of the securities of the kinds heretofore described.

The moneys deducted from the salary, pay, or compensation of each officer or employee and the income derived therefrom shall be held and deposited or invested, as above described, by the Secretary of the Treasury until paid out as hereinafter provided. Any insufficiency of any of the funds hereby created to carry out the provisions of this act shall be made up out of any money in the Treasury not otherwise appropriated, but no deficiency shall be so supplied in the case of any person retired who is in receipt, either directly or indirectly, of an annual independent income equivalent to the sum of nine hundred dollars or more, or who is possessed or seized either in his own name or in the name of another for his benefit of property, real or personal, or both, of the value of fifteen thousand dollars or more, and any pension that a person retired may receive from the United States shall be applied to supply any such deficiency that may exist in his case.

For the purpose of aiding the Secretary of the Treasury in depositing and investing the funds created by this act a board of investment is hereby created, composed of the Treasurer of the United States, the Comptroller of the Currency, and two persons to be designated by the President from among the officers and employees of the classified civil service. The members of the board of investment shall be sworn, and shall hold office until others are appointed and qualified in their stead, and upon request of the Secretary of the Treasury shall perform the duties hereby imposed without additional compensation.

RETIREMENT AGE.

SEC. 3. That the retirement age herein referred to shall be sixty years for group one, sixty-five years for group two, and seventy years for group three. And the President of the United States shall designate the branches of the service included in each group.

SEC. 4. That if thirty days before the arrival of an officer or employee at the age of retirement the head of the department or independent governmental establishment

in which he is employed certifies to the Secretary of the Treasury that by reason of his efficiency and his willingness to remain in the service the continuance of such officer or employee therein would be advantageous to the public service, such officer or employee may be retained for a term not exceeding two years; and at the end of the two years he may by similar certification be continued for an additional term of two years, and so on. Upon the failure of the head of the department or independent governmental establishment to make the above-described certificate it shall be the duty of the Secretary of the Treasury to place such officers or employees upon the retired list in accordance with the provisions of this act: *Provided, however,* That after the first day of July, nineteen hundred and sixteen, no person shall be continued in the classified civil service beyond his age of retirement herein specified.

SEC. 5. That if an officer or employee is retained in the classified civil service after reaching the retirement age, a deduction of ten per centum of his monthly salary, pay, or compensation, in addition to the deduction provided for in section one hereof, shall thereafter be made monthly while he remains in said service, and the amount of such deduction shall be transferred and credited to the special fund created by section eight of this act.

PAYMENT OF ANNUITY.

SEC. 6. That upon being placed on the retired list, as herein provided, the officer or employee may withdraw his savings, with the increment of interest as herein provided, under one of the following options, and, if option two is selected, receive in addition thereto such annuity, if any, as may be apportioned by the Secretary of the Treasury out of accumulations in excess of five per centum, guaranteed by the provisions of this act, and such apportionment by the Secretary of the Treasury shall be conclusive:

Option I. In one lump sum.

Option II. In an annuity payable quarterly throughout life: *Provided,* That in the event of the death of the annuitant any part of the savings not withdrawn shall become a part of his estate, to be disposed of according to law: *Provided further, however,* That if the deceased leaves no heirs and no will disposing of such unused or unpaid balance of his accumulated savings, then and in that event such balance shall be transferred and credited to the special fund to carry out the provisions of section nine of this act. In determining at the death of the annuitant the unused or unpaid balance of his accumulated savings, no account shall be taken of any annuity to the officer or employee under section eleven of this act.

WITHDRAWAL OF ANNUITY FUND.

SEC. 7. That upon absolute separation from the classified civil service prior to retirement age, and only upon such separation, the officer or employee may withdraw his savings with increment or interest in one lump sum: *Provided,* That in case such separation is voluntary and the officer or employee has been in such service less than six full years, he shall receive the total amount of the deductions made from his salary, pay, or compensation only, and the increment of interest thereon in all such cases shall be transferred and credited to the special fund to carry out the provisions of section nine of this act, and to such special fund there shall also be added all amounts withheld or stopped from the salary, pay, or compensation of all officers or employees to whom this act applies by reason of absence, whether such absence is authorized or not, and that the Secretary of the Treasury is hereby authorized and directed to transfer at the close of each fiscal year to the credit of the special fund to carry out the provisions of section nine of this act all lapsed balances of all money appropriated from time to time on account of all salaries, pay, or compensation of all persons to whom this act applies.

DISABILITY FUND.

SEC. 8. That beginning with the first day of July next following the passage of this act there shall be deducted and withheld from the monthly salary, pay, or compensation of every officer or employee originally entering or reentering the service to whom this act applies an amount equal to one-fifth of the monthly salary, pay, or compensation of such officer or employee during the first six months of employment; and in the case of every promotion of any person to whom this act applies there shall be deducted and withheld from the monthly salary, pay, or compensation of such person an amount equal to the monthly increase in salary, pay, or compensation made by such promotion during the first three months from and after the date on which such promotion takes effect; and the amounts so deducted and withheld shall constitute a special fund to carry out the provisions of section nine of this act, which special fund

shall be deposited or invested in the same manner as provided for in section two of this act.

DISABILITY RETIREMENT.

SEC. 9. That beginning one year after the first day of July next following the passage of this act, any officer or employee from whose salary, pay, or compensation deductions are made under the terms of this act as aforesaid, who, by reason of accident or illness incurred or contracted while in service, not due to vicious habits and without fault or delinquency on the part of the officer or employee, has become totally and permanently disabled may retire from active service prior to the age of retirement, and on certificate from the head of the executive department or independent governmental establishment in which employed to the Secretary of the Treasury, setting forth such disability, and the approval of such certificate by the Secretary of the Treasury, shall receive an annual disability allowance, payable quarterly, equal to one and one-half per centum of his total salary, pay, or compensation during service prior to such retirement. This annual allowance shall be paid out of the fund created by deductions made in accordance with the provisions of this act from the salary, pay, or compensation of such officer or employee, together with the accumulated interest on such deductions, and if such individual savings are insufficient for the purpose, the deficiency, if any, shall be paid from the special fund created by section eight of this act: *Provided, however,* That unless prorated by the Secretary of the Treasury as hereinafter provided, the annual allowance for disability due to accident or illness contracted while in the service shall be not less than twenty per centum of the average annual salary, pay, or compensation of the disabled officer or employee prior to such retirement: *And provided further,* That the allowance for disability due to illness shall be granted only after ten years' continuous service, and only when the officer or employee either at the time of his entry into classified civil service or thereafter shall have been physically examined and pronounced free from disability that would incapacitate such officer or employee from the performance of his official duties. In case of the death of an officer or employee while in the receipt of a disability allowance, the balance of the amount to the credit of such deceased officer or employee under section two of this act shall become part of his estate to be disposed of according to law: *Provided,* That if the deceased leaves no heirs and no will disposing of such unused or unpaid balance of his accumulations, then and in that event such balance shall be transferred and credited to the special fund to carry out the provisions of this section of this act. The disability allowance in the case of any officer or employee hereby provided for shall at all times be limited to the fund created by the deductions and withdrawals made from the salary, pay, or compensation of such officers or employees in accordance with the provisions of this act, and the special fund created and described in this act, and if any valuation of the funds shows the liabilities of the funds for allowances to be in excess of the resources of such funds, then the disability allowances shall be reduced pro rata and shall in no case exceed the resources of said funds: *Provided,* That any officer or employee accepting a disability allowance under the provisions of this section shall be reinstated upon his recovery, and if such officer or employee refuses or fails to avail himself of such reinstatement within thirty days from the receipt of notice of his reinstatement, his disability allowance under this section shall cease and terminate forthwith, when any unused or unpaid balance of his accumulated savings shall be returned to him. Upon his reinstatement such disability allowance shall likewise cease and terminate and such reinstated officer or employee shall be entitled to all the benefits provided by this act for originally appointed officers or employees from the date of such reinstatement, and shall be credited with any unused or unpaid balance of his accumulated savings.

RETIREMENT ON ANNUITY FOR SUPERANNUATION.

SEC. 10. That beginning with the first day of July next following the passage of this act, every officer or employee designated by this act for retirement shall be entitled, on reaching the retirement age, or having already passed that age, to retire from the service under the provisions hereinbefore contained, and also, in addition to the annuity herein provided for by any contribution from his salary, pay, or compensation, to receive from the United States from any money then in the Treasury not otherwise appropriated, during the remainder of his life, an annuity equal to one and one-half per centum of his total salary, pay, or compensation during service prior to the date on which this act shall take effect; but in no case shall the combined annuity paid be less than seventy-five per centum of the average annual salary, pay, or compensation in cases in which such average salary, pay, or compensation is less than one

thousand dollars per annum. The Secretary of the Treasury is hereby authorized and directed to pay such annuity quarterly, upon proper certification of the retirement of such officer or employee by the head of the department or independent governmental establishment in which such officer or employee last served. Annuities from the United States for the period of service prior to the passage of this act shall be payable only on condition that such officer or employee remains continuously in the service of the United States from the date of the passage of this act to the date on which the officer or employee reached the age of retirement. Any annuities payable by the United States on account of past or back services under the provisions of this section on a salary, pay, or compensation in excess of two thousand five hundred dollars per annum shall be based on an annual salary of two thousand five hundred and twenty dollars and the portion of any salary, pay, or compensation in excess of that amount shall not be considered in making deductions or in computing allowances under the provisions of this act.

SEC. 11. That the period of service upon which the annuity to be paid by the United States is based in the case of an officer or employee who remains continuously in the service of the United States from the date of the passage of this act as provided in the last preceding section shall be computed from the date of the original employment, whether as a classified or unclassified employee, and shall include periods of service at different times and service in one or more departments, branches, or independent establishments of the Government embracing the Signal Corps prior to July first, eighteen hundred and ninety-one, and the general service in or under the War Department prior to May sixth, eighteen hundred and ninety-six.

SEC. 12. That every person designated by this act for retirement who shall continue in the classified civil service after the passage of this act, as well as every such person to whom this act applies who may hereafter accept a position or place therein, shall be deemed, by so continuing in service or by accepting a position or place therein, to consent and agree to the deductions provided for in this act, and shall receipt in full for the salary, pay, or compensation, which may be paid monthly or at any other time; and such payment, after making the deductions provided for herein, shall be as full and complete a discharge and acquittance of all claims or demands whatsoever for services rendered by such person during the period covered by such payment, notwithstanding the provisions of sections one hundred and sixty-seven, one hundred and sixty-eight, and one hundred and sixty-nine of the Revised Statutes of the United States, or of any other law, rule, or regulation affecting the salary, pay, or compensation of any person or persons employed in the classified civil service to whom this act applies, as if no such deductions had been made, all other laws heretofore enacted to the contrary notwithstanding.

RETIREMENT STATISTICS.

SEC. 13. That the Secretary of the Treasury shall prepare and keep all needful tables, records, and accounts required for carrying out the provisions of this act. The records to be kept shall include data showing the mortality experience of the officers or employees in the various branches of the service and the rate of withdrawal from the classified service, and any other information that may be of value and may serve as a guide for future valuations and adjustments of the plan for the retirement of officers or employees. The Secretary of the Treasury shall make a detailed comparative report annually to Congress showing all receipts and disbursements under the provisions of this act, together with the total number of persons receiving annuities and disability allowances and the amounts paid them.

APPLICATION OF ACT.

SEC. 14. That the provisions of this act shall apply to all persons entering the classified civil service, by appointment therein or otherwise, after the passage of this act, and to all persons in the classified civil service at the date of the passage of this act who shall, by written application to the Secretary of the Treasury within ninety days after the first day of July next following the passage of this act, elect to become subject to the provisions thereof, and it shall be the duty of the President to cause the provisions of this act to be notified to all officers and employees in the executive civil service: *Provided, however,* That any person who does not within the period of time stated herein so elect to become subject to the provisions of this act shall not be eligible for advancement in salary or for promotion to fill any vacancy caused immediately or remotely, directly or indirectly, by reason of the retirement of any officer or employee under the provisions of this act, and no person who is not subject to the provisions of this act shall be advanced in salary or promoted to fill

any vacancy caused or created, immediately or remotely, directly or indirectly, by reason of the retirement of any person as hereinbefore provided. The words "classified civil service" as used in this act shall be considered to embrace all officers and employees in the executive civil service of the United States as defined in the rules and regulations of the United States Civil Service Commission promulgated from time to time.

EXEMPTION OF ANNUITIES.

SEC. 15. That none of the moneys mentioned in this act shall be assignable either in law or equity nor shall such moneys or any part thereof be subject to execution or levy by attachment, garnishment, or other legal process.

EXCEPTED POSITIONS.

SEC. 16. That no person or persons serving in a position excepted from examination or registration as defined in the rules and regulations of the United States Civil Service Commission shall be included within the retirement provisions of this act by reason of the extension of the classified service to embrace such excepted positions unless such person or persons shall have previously served for at least one year in a position filled by competition. The President shall have power, in his discretion, to exclude from the operations of the retirement provisions of this act any group or groups of officers or employees whose tenure of office is intermittent or of uncertain duration.

RECLASSIFICATION.

SEC. 17. That the following schedule of grades and salaries, pay, and compensation for all officers and employees in the executive civil service of the United States below the grade of Cabinet officer and others appointed to exercise exclusive like executive functions, with the exception of such officers and employees as are appointed by the President, by and with the advice and consent of the Senate, under the Constitution, and such officers or employees as are specially excepted by the rules and regulations of the United States Civil Service Commission, is hereby adopted, and hereafter all estimates for salaries, pay, and compensation of all such officers and employees in the several grades described in said schedule shall be made in accordance with the rates named therein, so far as practicable, with the understanding that such estimates for salary, pay, and compensation in any case shall be made and computed to the nearest multiple of twelve that will be not less than the salary, pay, or compensation provided for such grade in the following schedule: *Provided*, That in any case in which the grades and salaries, pay, or compensation prescribed in said schedule shall be found to be inapplicable to any position, such position may be specifically estimated for, the officer making such estimate setting forth in detail for the information of Congress the reasons why the schedule is not applicable to such position and why exception should be made to the schedule: *Provided further*, That in any case in which the salary, pay, or compensation of an officer or employee to whom this act applies is regulated by a law or rule passed or adopted as a concession to a trade regulation, or by the amount of work performed, commonly denominated as "piecework," the provisions of this act shall be construed in connection with such prior law or rule, and shall govern such salary, pay, or compensation in so far only as the provisions of this act do not conflict with such prior law or rule.

SCHEDULE.

ADMINISTRATIVE GRADE.—This grade shall include all officers and employees of the executive civil service of the Government occupying positions below the grade of cabinet officer and others appointed to exercise only like executive functions except those officers or employees occupying positions specifically excepted by the rules and regulations of the United States Civil Service Commission and except also those persons described in the other grades hereinafter mentioned. The salary, pay, or compensation of persons in the administrative grade shall be specifically estimated for: *Provided*, That such estimates shall be submitted to Congress in such manner as will insure as nearly as practicable like salary, pay or compensation for like duty.

SUPERVISORY GRADE.—This grade shall include all officers or employees, except those described in the preceding grade, who perform duty of a supervisory, executive or administrative character with salary, pay or compensation as follows: Chief clerk of executive department and Governmental establishment, four thousand and twenty dollars; chief clerks of bureaus authorized by law to be acting chiefs of bureaus and to sign official mail in the absence of the chiefs, three thousand dollars per annum;

chief clerks of bureaus not designated by law to be acting chiefs of bureaus to sign official mail in the absence of the chiefs, two thousand seven hundred and sixty dollars; chiefs of divisions, two thousand six hundred and forty dollars; all other officers or employees who exercise only supervisory, executive or administrative duty, two thousand five hundred and twenty dollars: *Provided*, That the person permanently assigned to the duties of any position in any grade and actually performing all the duties appertaining to such position, and no other person, shall receive the designation, salary, pay or compensation of such position.

CLERICAL GRADES.—(I) Senior clerks: Employees who are assigned to and perform work largely supervisory, or requiring the highest order of clerical ability, involving much original thought, consideration and investigation. Salaries: Two thousand one hundred and sixty dollars, two thousand one hundred dollars, and two thousand and forty dollars.

(II) Clerks: Employees who are assigned to and perform the work more or less routine, involving responsibility, special ability and original thought, consideration and investigation. Salaries: One thousand nine hundred and twenty dollars, one thousand eight hundred dollars, and one thousand six hundred and eighty dollars.

(III) Junior clerks: Employees who are assigned to work of a routine character, requiring but little original thought or consideration, but requiring judgment, responsibility, and special skill. Salaries: One thousand five hundred and sixty dollars, one thousand four hundred and forty dollars, and one thousand three hundred and twenty dollars.

(IV) Under clerks: Employees who are assigned to work of a simple and routine character, requiring care, accuracy, and skill. Salaries: One thousand two hundred dollars, one thousand and eighty dollars, and nine hundred and sixty dollars.

SUBCLERICAL GRADES.—(I) Employees whose duties are not clerical, but require some special skill, or involve personal responsibility, such as messengers, assistant messengers, watchmen, elevator conductors, skilled laborers, janitors, etc. Salaries: Nine hundred dollars, eight hundred and forty dollars, and seven hundred and eighty dollars.

(II) Employees engaged in rough and unskilled work, as laborers generally. Salaries: Seven hundred and thirty-two dollars, six hundred and ninety-six dollars, and six hundred and sixty dollars.

(III) Employees who enter the service at an early age and are engaged in light work, as messenger boys. Salaries: Five hundred and four dollars, four hundred and thirty-two dollars, and three hundred and sixty dollars.

(IV) Employees whose work occupies only a part of the time each day, as charwomen and janitors. Salaries: Four hundred and twenty dollars, three hundred and sixty dollars, and three hundred dollars.

OFFICERS OR EMPLOYEES ENGAGED IN PROFESSIONAL, SCIENTIFIC, TECHNICAL, OR MECHANICAL DUTIES, AND ALL OTHER EMPLOYEES NOT OTHERWISE SPECIFICALLY PROVIDED FOR IN THIS ACT.—The number and variety of designations of such employees shall be as small as practicable, and the duties performed by them shall be confined within the lines indicated by their titles or for which they may have passed examinations. Their salary, pay, or compensation shall be assimilated as far as practicable to the rates stated in the foregoing schedule, and when they can not be so assimilated they shall be specifically estimated for, the officer making such estimate setting forth in detail for the information of Congress the reasons why the schedule is not applicable and why exceptions should be made to the schedule.

ESTIMATES.

SEC. 18. That the regular annual estimates made after the passage of this act for appropriations for the salary, pay, and compensation of the officers and employees of the executive civil service of the Government shall specifically state the number of such officers and employees deemed necessary in each grade, and subdivision of a grade for each bureau or office, for the proper dispatch of the work incident to said service, and in addition thereto such estimates shall specifically state the amount deemed necessary to provide for the advancement of officers and employees to the next higher rates of salary, pay or compensation within the respective subdivisions of each grade on the first day of July of each year, as hereinafter directed, and no moneys appropriated in accordance with such estimates shall be used for any purpose, in connection with the dispatch of the work incident to the executive civil service of the Government other than that specified in the estimates therefor. Any unexpended portion of all such appropriations shall be treated as lapsed balances of appropriations for salary, pay, or compensation. That appointments to positions in the administrative grade estimated for as herein provided shall be made from persons in the super-

visory grade, and any person in the supervisory grade, and no other, shall be deemed eligible for appointment to any position in the administrative grade of the executive civil service of the Government. Nor shall any money hereafter appropriated be paid to any person outside the executive civil service while performing duties pertaining to the civil service except the chief administrative officer of a bureau or office. That on the first day of July of every year those officers and employees of the clerical and subclerical grades who have shown a satisfactory degree of efficiency in their work shall each be advanced to the next higher rate of salary, pay, or compensation within the subdivision of the grade in which such officer or employee shall have been serving for one year or more without promotion: *Provided*, That nothing herein contained shall prohibit the promotion or reduction of officers or employees at any time in accordance with the provisions of this act.

BOARD OF ESTIMATES.

SEC. 19. With a view to carrying out the provisions of this act as far as it relates to the classification of the salary, pay, or compensation of the officers and employees of the executive civil service of the Government, and to the end that positions in the various grades shall be apportioned and distributed among the several executive departments and independent governmental establishments in a manner as nearly equitable as practicable, there is hereby created a board of estimates, to which board shall be submitted all estimates for salary, pay, or compensation of such officers and employees, and which board shall have plenary power and authority to make such alterations and changes in the estimates as may be deemed necessary by it to secure an equitable distribution of the several grades among the officers and employees of the several executive departments and independent governmental establishments. This board shall consist of one representative from each executive department and independent governmental establishment, to be designated by the head official in the respective department or governmental establishment so represented. The board shall perform its duties in conjunction with the Secretary of the Treasury, who shall be ex officio a member of such board and chairman thereof. The members of this board shall perform the duties herein prescribed without additional compensation therefor: *Provided*, That any changes or alterations in the estimates for salary, pay, or compensation submitted by the chief official of any department or governmental establishment made by the board of estimates shall be specifically described in transmitting estimates to Congress and shall contain a full and detailed statement of the reasons for making such changes or alterations in the original estimates, and that in forwarding said estimates to Congress the board shall prepare and submit therewith a summarized statement showing the aggregate number of the officers and employees, with their salary, pay, or compensation in each grade and subdivision of a grade for which estimates are made.

EFFICIENCY BOARD.

SEC. 20. That there is hereby created in each bureau and office of each department and independent governmental establishment an efficiency board for the purpose of determining and recording the efficiency of each officer and employee of the executive civil service in such department and independent governmental establishment in the clerical and subclerical grades and all the officers and employees occupying positions assimilated to positions in the clerical and subclerical grades. Each efficiency board shall consist of the chief or principal clerk of the bureau or office and all other persons of the supervisory grade in any bureau or office, and in case there are not four persons of the supervisory grade in any bureau or office, the efficiency board therein shall consist of the chief or principal clerk, the person or persons in the supervisory grades, if any, and a number of persons in the highest subdivision of the clerical grade therein sufficient to constitute a board of five persons. The persons selected from the clerical grade as a part of any efficiency board shall be designated by the other members of the board. That if there be a bureau or office in which the number of officers or employees of the requisite grades is insufficient for the formation of an efficiency board as herein prescribed, an efficiency board therefor shall be designated by the head of the executive department or independent governmental establishment. On the first day of January and the first day of July in each year each efficiency board shall prepare a list of officers and employees whose efficiency is to be so determined, which list shall constitute a record whereon shall be shown in numerical order the relative efficiency of each person in each grade, and which list shall be approved by a majority of the efficiency board.

In determining and recording efficiency all efficiency boards shall employ a uniform system to be approved by the United States Civil Service Commission based upon the

elements, attendance, ability, adaptability, habits, and application. The United States Civil Service Commission shall define what shall be embraced in these elements, but the relative efficiency must be determined by the exhibition of the possession of those elements in performance of official duty from day to day and not as the result of a set or written examination. The persons of the clerical grade on any efficiency board shall take rank on the efficiency list prepared by that board preceding that of any other person thereon, and they shall be graded on the efficiency list in accordance with their rank in the subdivision of the clerical grade, and if more than one of them are in the same subdivision of the clerical grade, their names shall be entered on the efficiency list in the order in which they entered the executive civil service of the Government. All promotions in any department, bureau, or independent governmental establishment from any grade below the supervisory grade, or from any subdivision thereof, shall be made in accordance with the efficiency lists, and in the order in which the officers and employees are graded therein, and not otherwise: *Provided*, That the efficiency lists prepared as herein prescribed shall be subject to the approval or disapproval of the head of the bureau or office concerned and of the department or independent governmental establishment in which such lists are prepared, and in case of disagreement between the head of a department or independent governmental establishment and the efficiency board with respect to the efficiency list, the subject of disagreement shall be referred to the United States Civil Service Commission, whose decision shall be final. Any officer or employee who feels that the list prepared by the efficiency board is not correct in any particular and is unable to secure an amendment thereof by the board in that particular shall have the right of appeal in writing to the head of the executive department or independent governmental establishment, who shall consider and decide the question involved, and should his decision be adverse to the board and should the board still decline to make the desired correction, the matter shall be referred to the United States Civil Service Commission, whose decision shall be final. The semiannual efficiency reports in each bureau and office shall be posted where access to them can be had by all concerned.

HOURS OF LABOR.

SEC. 21. That on and after the passage of this act eight hours shall constitute a day's labor for all officers and employees in the executive civil service of whatever grade or class or wherever employed, which said eight hours shall include one hour for luncheon on each working day throughout the year: *Provided*, That hereafter each day or part of day that is declared by law in any State, Territory, or the District of Columbia to be a legal or public holiday shall be observed by that part of each executive department or independent governmental establishment located in such State, Territory, or the District of Columbia, and the transaction of public business shall be suspended therein except in case of emergency, when such suspension would be detrimental to the public interests. That the head of each executive department or independent governmental establishment who determines that the public interests demand that the department or independent governmental establishment of which he is the head shall be kept open for the transaction of public business on any legal or public holiday, shall state fully in his annual report the number of days in each fiscal year on which such public or legal holidays were not observed and the particular emergency or emergencies that rendered it detrimental to the public interests to suspend public business on the day or days involved: *Provided, further*, That in all cases whenever and wherever any office, branch, portion or part in or under any executive department or independent governmental establishment shall be closed to the transaction of public business by direction of the head of such executive department or independent governmental establishment upon any day, due to the observance of any legal or public holiday, the officers or employees therein shall receive their full salary, pay, or compensation for such day.

The heads of the several executive departments and independent governmental establishments may, by special orders, when demanded by the public interests, further extend from time to time the hours of labor of any officer or employee in or under their respective executive departments or independent governmental establishments beyond the hours fixed by the provisions of this act as a working day: *Provided, however*, That in all such cases of the extension of the hours of labor of any officer or employee the actual time shall be kept of each officer or employee so employed in excess of the eight hours a day prescribed in this act as constituting a working day, and such officer or employee shall be paid for actual overtime at his or her existing rate of salary, pay, or compensation at the time of such employment, and the compensation for such extra time shall be computed and paid upon an hourly basis for

each full hour or major fraction thereof during such period of employment, and all such extra salary, pay, or compensation for such overtime shall be paid out of any moneys in the Treasury not otherwise appropriated.

A detailed statement showing the amount disbursed on account of all such extra or additional salary, pay, or compensation, and the names of the officers or employees to whom paid and the executive departments and independent governmental establishments in which employed, shall be annually prepared by the head of the executive department or independent governmental establishment and furnished to the board of estimates and transmitted by the Secretary of the Treasury with the regular yearly estimates to Congress, which statement shall contain a full report from the head of the executive department or independent governmental establishment of the reasons why such extension of the regular hours of labor are deemed necessary.

LEAVES OF ABSENCE.

SEC. 22. The head of any executive department or independent governmental establishment may grant to each officer or employee therein wherever employed, thirty days' annual leave with salary, pay, or compensation in each calendar year: *Provided, however,* That in computing all such leave, Sundays and all days and parts of days declared by any law or by Executive orders to be public holidays, shall be expressly excluded from all such annual leaves so granted: *And provided further,* That where some member of the immediate family of such officer or employee is afflicted with a contagious disease and requires the care and attendance of such officer or employee, or when the presence of such officer or employee in the office or bureau where employed would jeopardize the health of fellow officers and employees, and upon a certificate, to be approved by the head of the executive department or independent governmental establishment, of a regularly licensed physician or surgeon, and in exceptional and meritorious cases, where such officer or employee is personally ill and unable to attend to his or her official duties, and where to limit the annual leave to thirty days in any one calendar year would work peculiar hardship, such annual leave may be extended, in the discretion of the head of the executive department or independent governmental establishment where such officer or employee is employed, with salary, pay, or compensation, for a period not exceeding thirty days in any one case or in any one calendar year: *Provided also,* That in computing all extensions of annual leaves on account of contagious diseases in the family or on account of personal illness, all Sundays, and all days and parts of days declared to be public holidays by any act of Congress or Executive orders shall be included in and considered as an integral part of all such extensions of annual leaves. That hereafter all annual leaves and extensions of annual leaves on account of contagious diseases in the family, or personal illness or otherwise, shall be granted in accordance with regulations promulgated from time to time by the President, and shall be uniformly applied in all executive departments and independent governmental establishments.

REGULATIONS GOVERNING ADMISSIONS, CHANGES, AND DISMISSALS.

SEC. 23. That the President is authorized to prescribe such regulations for the admission of persons into the executive civil service of the United States as may best promote the efficiency thereof and ascertain the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of the service into which he seeks to enter: and for this purpose he may employ suitable persons to conduct such inquiries and may prescribe their duties and establish regulations for the conduct of persons who may receive appointments in the executive civil service: *Provided,* That persons in the executive civil service shall not be restricted in their rights or freedom of speech in the discussion of public questions, or in the right to criticize the conduct and administration of the service in which they are engaged, or to make suggestions in regard thereto, if such criticisms or suggestions are reduced to writing and filed with the head of the department, or to present any grievances to Congress, or to any Senator or Representative in Congress, if the same has been submitted in writing to the head of the department against which the complaint is made; and no person holding a position in the executive civil service shall be removed therefrom or be reduced in grade, salary, pay, or compensation therein because of any such criticism or suggestion or presentation of grievance, nor except for such cause as will promote the efficiency of the service and for reasons given in writing, and the person whose removal or reduction is sought shall have notice of the same, and of any charges preferred against him, and be furnished with a copy thereof, and also be allowed a reasonable time for answering the same in writing with affidavits if desired; and copies of charges, notice of hearing, answer, reasons for removal or reduction, and

of the order of removal or reduction, shall be made a part of the records of the proper executive department or independent governmental establishment; and copies of such record shall be furnished the person affected, the United States Civil Service Commission also shall be furnished with copies of the same or the original thereof: *Provided, further*, That if the answer of the officer or employee whose reduction or dismissal is proposed does not satisfy the head of the department or independent governmental establishment that the officer or employee should be retained in service, such officer or employee shall be so notified and thereupon given a reasonable time, to be fixed by the head of the department or independent governmental establishment, in which to appeal to the United States Civil Service Commission, whose decision in the matter shall be final; and no reduction, removal, or suspension in any such case shall become effective until the United States Civil Service Commission shall have notified the head of the department or independent governmental establishment of its findings in the case: *Provided, also*, That membership in any society, association, club, or other form of organization having for its objects, among other things, improvements in the condition of labor of its members, including hours of labor and compensation therefor and leave of absence, by any person or groups of persons in said executive civil service, or the presenting by any such person or groups of persons of any grievance or grievances to the Congress, shall not constitute or be a cause for reduction in grade, salary, pay, or compensation, or for removal of such person or groups of persons from said service.

TRANSFERS.

SEC. 24. That hereafter upon the application of any officer or employee who has served his probationary period in the executive civil service of the United States for a transfer from one executive department or independent governmental establishment to another executive department or independent governmental establishment such transfer shall be made if the application is approved by the head of each executive department or independent governmental establishment concerned and authorized by the United States Civil Service Commission; if the head of the executive department or independent governmental establishment to which transfer is sought approve, and the head of the executive department or independent governmental establishment from which transfer is sought disapprove the application, then the application, together with all pertinent facts relative to it, including the reasons for disapproval, shall be at once referred by the disapproving authority to the United States Civil Service Commission for its decision, which commission shall take into consideration the interests of both the Government and applicant for transfer, and the decision of the commission with respect to the transfer shall be final.

CONJUGAL RELATIONS.

SEC. 25. That hereafter no man and wife shall both be employed in the executive civil service of the United States: *Provided, however*, That this restriction shall not be construed so as to exclude from the service any persons employed therein and married prior to the date of the passage of this act.

FRAUDS.

SEC. 26. That any person who shall either by himself or in cooperation with one or more other persons deceive or unlawfully defeat or obstruct any person in respect to his or her right of examination, appointment, or promotion under any act of Congress or under any rule or regulation promulgated thereunder, or who shall knowingly falsely mark, grade, estimate, or report upon the examination or standing of any person within the provisions of this act, or aid in so doing, or who shall make any false representation concerning any examination or the standing of any employee or applicant for employment in the service of the United States, or who shall furnish information to any person for the purpose of unlawfully injuring the prospects or chances of appointment, employment, or promotion of any person or employee of the United States shall be deemed guilty of a misdemeanor, and upon conviction thereof shall for each such offense be punished by a fine of not less than one hundred dollars, nor more than one thousand dollars, or by imprisonment for not less than ten days, nor more than one year, or by both such fine and imprisonment.

OFFICE EXPENSES.

SEC. 27. That for the clerical and other services and all other expenses necessary in carrying out the provisions of this act during the fiscal years ending June thirtieth,

nineteen hundred and thirteen, and nineteen hundred and fourteen, including salaries and rent in the city of Washington, there is hereby appropriated the sum of fifty thousand dollars, or so much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated.

RULES AND REGULATIONS.

SEC. 28. That the Secretary of the Treasury is hereby authorized and directed to perform and cause to be performed any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the retirement provisions of this act into full force and effect, and the heads of the other executive departments and independent governmental establishments are likewise authorized and directed to perform or cause to be performed any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying into like force and effect the other provisions of this act.

MUTUAL BONDING OF EMPLOYEES.

SEC. 29. A division to be known as the fidelity division is hereby created as a part of the office of the Secretary of the Treasury, and there is appropriated the sum of twenty-five thousand dollars for the employment of a chief and other employees, and for all other necessary expenses of such division, the salaries for such chief and other employees to be fixed by the Secretary of the Treasury in accordance with the foregoing schedule of salaries and the amount hereby appropriated to continue available during the fiscal year nineteen hundred and thirteen.

The said fidelity division, under the direction of the Secretary of the Treasury, shall hereafter have full charge of all matters pertaining to the bonding of all officers, employees, and agents of the Government, and of the fidelity fund herein provided for, and the custody of the bonds of all such officers, employees, and agents.

From and after the first day of July next following the passage of this act every officer, employee, and agent of the Government who is now or may hereafter be required by any law, rule, regulation, or executive order to give bond shall at his option give such bond either with good and sufficient security or, upon contributing to the fidelity fund the premium or premiums herein authorized, give such bond without sureties, and all such bonds shall run to the United States whether given with or without sureties as above prescribed: *Provided*, That this section shall not apply to what are commonly known as contract or court bonds.

The Secretary of the Treasury shall classify all bonded officers, employees, and agents of the Government, and the premium rates per thousand of penalty for the various classes shall be established by him after due consideration of the aggregate penalties of bonds given by each of such classes between the first day of January, eighteen hundred and ninety-five, and the thirty-first day of December next preceding the promulgation of such rates, and the aggregate losses incurred on such bonds during the same period, but in the aggregate the average annual premium per thousand of penalty shall be equal to not less than one hundred and seventy-five per centum of the average annual loss incurred per thousand of penalty upon the bonds of all officers, employees, and agents of the Government between the first day of January, eighteen hundred and ninety-five, and the thirty-first of December next preceding the promulgation of such rates: *Provided further*, That premium rates for officers, employees, and agents of the Post Office Department and the postal service may be based on the penalties of the bonds of such officers, employees, and agents and the losses incurred under such bonds, as herein provided, between the first day of January, nineteen hundred and five, and the thirty-first day of December next preceding the promulgation of such rates: *And provided further*, That should the money to the credit of the fidelity fund, less any outstanding claims, become equal to one per centum of the total penalties of all the bonds of those contributing to said fund, the rates may be lowered to such an extent as in the judgment of the Secretary of the Treasury will suffice to meet the average yearly losses and all expenses of the fidelity division.

The fidelity division shall pay all moneys received for the fidelity fund to the Treasurer of the United States, and all such payments shall be covered into the Treasury by him as miscellaneous receipts, but credited on the books of the Treasury to said fidelity fund.

Whenever the Secretary of the Treasury shall finally determine that any sum is due the United States upon any such bond without sureties, such sum shall at once be charged or debited to said fidelity fund, but such charge or debit shall not operate to release the officer, employee, or agent, but he shall be liable as fully on his bond and otherwise as if no such charge or debit had been made; and any money that may

thereafter be recovered from such officer, employee, or agent, or from anyone for him, shall be covered into the Treasury as miscellaneous receipts and credited to the fidelity fund. All moneys paid into the Treasury to the credit of the fidelity fund shall be the property of the United States for the purpose above specified, and shall be used like other moneys belonging to the Government, but strict account shall be kept of the amount due said fund. All expenses of the said fidelity division, including salaries therein, shall be annually estimated and appropriated for as hereinbefore prescribed, but after July first, nineteen hundred and thirteen, all sums so expended shall be charged or debited to said fidelity fund.

That from and after the first day of July, nineteen and twelve, every officer, employee, or agent of the Government receiving, disbursing, or otherwise handling moneys belonging to the United States, or moneys in the custody of the United States, amounting to one thousand dollars or more per annum, shall give bond to the United States for the faithful performance of his duty, and unless otherwise provided by law the Secretary of the Treasury shall prescribe the amount of the penalties of such bonds. The Secretary of the Treasury shall make all necessary rules and regulations to carry out the provisions of this section and may utilize and employ for such purpose the services of such officers, clerks, and other employees of the Treasury Department as he may direct.

The Secretary of the Treasury shall, in his annual report to Congress, submit a detailed statement of the credits to said fidelity fund and of all charges or debits against the same for the preceding fiscal year, and the number and aggregate penalties of all bonds without sureties executed hereunder during such preceding fiscal year.

REPEALING SECTION.

That all laws or parts of laws, and all acts or parts of acts, including all laws, parts of laws, acts and parts of acts, affecting the official status, appointment, tenure of office, or removal from office of all officers and employees in the executive civil service included in the provisions of this act, in any wise inconsistent with or in conflict with the provisions and purposes of this act be, and the same are hereby, repealed.

I also wish to supplement my remarks by a paper entitled "The United States Civil Service: What It Is, and What It Stands For," illustrated by two bottles of milk under the caption of "Uncle Sam's civil service milk," showing the number of persons examined, passed, failed, and appointed with respect to purely clerical and purely technical positions during the year of 1909. An examination of the data shows that in the purely clerical positions 58 per cent of those examined failed, while only 14 per cent of the 42 per cent who passed were selected for appointment.

In the case of the purely technical positions 68.60 per cent failed and of those who passed only 13 per cent were selected.

These illustrations show the severity of the examinations held and the high order of intelligence required to qualify thereunder, and which would seem to justify a reclassification and a regrading of salaries with a view to attracting to the service men and women possessed of the highest mental attainments.

EXHIBIT B.

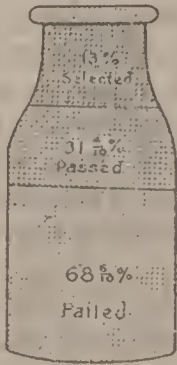
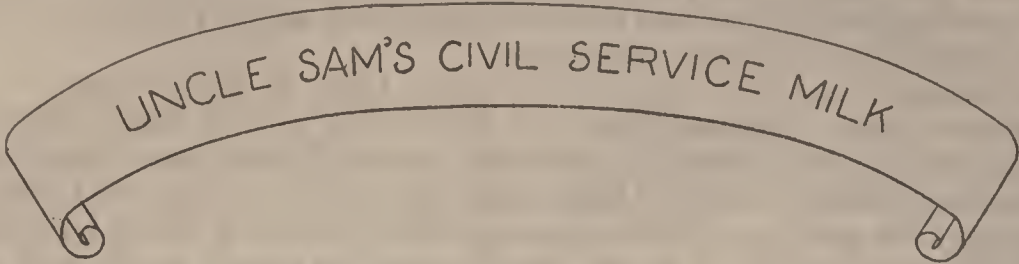
THE UNITED STATES CIVIL SERVICE: WHAT IT IS, AND WHAT IT STANDS FOR.

UNCLE SAM'S CIVIL-SERVICE MILK.¹

When a man wants to write a book he is confronted by two very important factors: One is his theme or purpose for wanting to write the book, and the other is his plan or method by which to sustain his purpose. Now, I am not going to write a book, but I am going to give you just a plain talk. I have a purpose for doing so and I believe my plan will satisfy your expectation. Let me, then, say in the very beginning of my talk that my purpose is to set ourselves right in the eyes of the public in general and

¹ This paper was originally prepared for blackboard illustration.

business men especially, and to enlighten and educate you and the public on the workings and the beneficial results of applied civil service in conducting the vast and complex business of the Federal Government. More particularly, however, will I speak of the scope of the law as it is applied to the educational class of the classified civil service. Nevertheless, I wish to remind you of the fact that the law in its scope and application covers equally well the noneducational class of the civil service down to, but not including the common laborers.



Examinations for Purely Clerical Positions	
Number of applicants examined in 1909 for positions as Stenographers, Type writers, Book-Keepers Clerks	
	7368
Number passed the examination	3099 or 42%
Number appointed to positions	1039 or 14%
Number failed to pass	4269 or 58%

Examinations for Purely Technical Positions	
Number of applicants examined in 1909 for positions as Civil engineers, Draftsmen, Computers, Electricians Superintendents	
	2517
Number that passed the examination	790 or 31.40%
Number appointed to positions	344 or 13.70%
Number failed to pass	1727 or 68.60%

Now, you wonder as you look at the blackboard why I have used such a commonplace illustration, and the wonder of wonders in your mind is the strange title that waves like a banner over it as you read: "Uncle Sam's civil-service milk." I will not hold you in suspense. Those of you who are old enough will remember the old saying "pap," that passed from mouth to mouth years ago. It had a peculiar significance and an unsavory definition before the days of civil service. The worst that could be said of it was only too true. But after the civil-service law was passed and its application made general in 1896 there began a new era. Now, a great many people, some that ought to know better, still use the word "pap" when they speak about civil service. Then, too, there are many besides these that do not know any better, and it is to these people I desire to address myself, because among them are those who wish to be informed.

Let us now take a somewhat closer look at the blackboard and notice the homely, everyday, commonplace illustration—the two milk bottles. In using these my purpose is to metamorphize pap of the unsavory, equivocal meaning into something unmistakably known to everybody down to the kindergarten class. Here I propose to begin the campaign of education on the science of applied civil service in theory and practice, as we have it to-day, what it is, and what it stands for.

Now everybody knows what milk is, and of course everybody likes good milk. I am sure on this point there is no division of opinion in this audience. Well, then, these two bottles contain better milk than any of you have ever tasted. For good reasons I am compelled to make this statement and I am going to sustain it by figures that will make it an indisputable fact. The report of the United States Civil Service Commission shows that during the year 1909, 7,368 persons wanted some of the milk in the bottle on the left; and no less than 2,517 persons tried to get some of that which is represented by the bottle on the right. Or, in other words, 9,885 good, strong, healthy persons in very good standing, vouched for by the best of the people in the United States as to their moral character and known abilities, wanted some of Uncle Sam's

delicious, pure, rich milk. Now you do not blame them for that, do you? We have a right to the very best the land affords, but of course we have no right to steal it. Uncle Sam and everybody here are agreed on these two points.

I must not overlook to tell you at this juncture that these two bottles represent only certain classes of persons who went up against the examinations. There were over 70,000 persons examined during the year 1909, covering every departmental requirement down to but not including common laborers. It is my purpose to deal only with those positions that run parallel with ordinary business enterprises, corporation interests, etc., for executive and ordinary office duties such as are necessary to conduct the ordinary business of any concern anywhere.

Now, dear Uncle Sam, who, as you all know, lives in Washington, says yes, you may have some of this milk, provided you have a big pile of money, live around the corner in the 10-room bungalow, go a-spinning around town, are a member of this or that club or a descendant of this or that prominent man or woman, and many more such fanciful things that make a difference and a distinction in some people's eyes but never in Uncle Sam's. No, you are never asked any such stuff, and everybody's feet are on the same level. No such questions are on the application blanks. But he does want to know if you are healthy and strong, strong in body and mind, and of good moral character, and if the doctor (see Appendix A) and those who vouch for you say yes, and you take an oath as to the truth of your written answers to the questions on your application, you just go right in with the rest into the place where Uncle Sam does not even ask the name of your tailor, for he "looketh not upon the appearance of men." And once within you will find that "there is no respect of persons" connected with your examinations. In fact, for the time being you are known only by number, which is assigned to you and which you place on your examination papers. If never before you had an opportunity to prove that $\frac{13}{23}$ has no terror for

you, here is the chance of your life. For there is a possibility that for the time being you may be known by "thirteen over twenty-three," as they call it, and the only thing that is likely to differentiate you from all the rest of the crowd is how well you pass, and between the borders of passing at all and passing high lie your chances of getting some of Uncle Sam's nice rich milk. I shall demonstrate this assertion a little more clearly later on. I was almost going to say Uncle Sam's pap, as some would have it. But there are only a few people left that use that word nowadays, and there is really a reason for it. They do not know any better. They have not kept up with the times—forgetting that they live in glass houses, sometimes try to amuse themselves with flinging sticks and stones at us. I have never yet seen a tree having fine pecans on it that did not have lots of sticks under it. But I have no intention of retaliating in kind. It is my purpose to educate them. If any of them are here in this audience they will have no excuse for not knowing any better when I have finished. The days of the spoils system are gone never to return, and it would be well for everybody to remember it. There is but one door to a position in the educational class of the civil service, and that is the door of mental examination.

We will once more take a look at the two milk bottles in the illustration on the blackboard. You notice they are brim full. The one on the left represents some of those persons who took Uncle Sam's civil-service examinations in the educational class for what are termed clerical positions, known in commercial life as typewriters, stenographers, bookkeepers, cashiers, receiving and shipping clerks, purchasing clerks, stock and warehouse men, and custodians of seals, record and filing clerks, accountants and accounts clerks, secretaries, and men in all sorts of clerical positions. And, the bottle on the right represents some of those who took the more difficult examinations of a technical character, such as civil, mechanical and electrical engineers; junior engineers, superintendents, draftsmen, computers, inspectors, scientific assistants, etc. Both kinds of examinations are necessarily thorough for the several positions and are getting somewhat stiff as we advance. There is a reason for it. Uncle Sam wants and must have the best for the respective positions, to carry on the vast business of the Government in all its minute and complex details, with clock-work precision and exactness. Brain and brawn must characterize those that fill the ranks of the United States civil-service corps. No other uniform is required.

Now, then, this army that took the civil-service examinations during the year 1909, nearly 10,000 strong, came from all parts of the United States; from every nook and corner, and from all walks in life; and from all sorts of business enterprises—shops, mills, factories, stores, offices, etc.—many with high-school, college, and university training and education. They are those who have the moral courage and confidence in their ability to take the examinations, and you know that that is the stuff that counts for a lot. You know, now, when you hear a chap say all kinds of hard things against the civil service, that the right sort of stuff is missing in him. Many, too,

were educated in foreign countries, who came over here, it is true, bringing their training and education with them, but of course they had to become citizens of this dear land of ours first, or else they can not enter the classified civil service of the United States at all.

I am now going to invite your attention to some figures on the blackboard, and for convenience I have used round sums, as they are easier to remember. Here we have then [place the following on the blackboard]:

The number of persons that had the courage to go up for examinations is.....	10,000
Here is the number that passed.....	3,900

And here is the number that failed..... 6,100

These 6,100, then, who failed to pass had to go back where they came from. Too bad, is it not? Yes; they had to go back to plain everyday cow's milk; to the desks and stools and chairs they left to take their places again in the maelstrom of human existence. Go back to the shop, the mill, the factory, the store, the offices, and I should not be at all surprised if some were found in railroad offices, from whence so many sticks are flung at us. Uncle Sam, big-hearted though he is, has no use for them. He wants the biggest and the best. "Fell through the sieve," as they say at Heidelberg; too small for the mesh. A rather rural, hayseed sort of an illustration you say, but it has a tell-tale meaning. It represents a farmer sifting wheat for sowing. Only the big grains of wheat remain in that particular kind of a sieve. All the small, undersized, undesirable kernels of wheat fall through. Good enough for chicken feed, but not for sowing. He wants the best, hence the metaphor "fell through the sieve."

But Uncle Sam says kindly to all who failed: "If you don't succeed at first, try, try again," and so you may.

I believe I have succeeded in making clear and prominent this one fact that the educational class of the civil service has in it a somewhat exclusive set. Before I finish my talk I am going to prove it to you by facts and figures.

From the very beginning the civil-service law has put forth its strong right arm to lay hold upon persons with the capacity and ability to think and to do things. There is no equivocation on that point. No matter, also, how high you pass, your appointment to a position is for six months only on probation, and if you measure up to requirements you may remain in your position, but only as long as you make good and act like a man; or in other words, the tenure of your position is determined by the degree of your efficiency.

I believe I have succeeded to your satisfaction in tearing off that old tag, string and all, and disabused your minds of the "pap" idea in connection with the United States civil service of to-day. Your thinking will be changed from now on, because you know better. Thinking and knowing are the two great factors in the process of evolution.

I will now proceed to demonstrate and prove what I asserted a little while ago: That Uncle Sam must and will have the best and nothing else will do. I am going to let the cat out of the bag. I want you to see that every person entering the educational class of the civil service is not a mere cog in the wheel of Uncle Sam's machinery that runs the Government, as some would have you believe. I also want you to understand that the Civil Service Commission sees to it that the marks of intelligence and ability are on your forehead. You at once recognize the new label. It is as different from the old tag that was torn off long ago as white is from black.

But I must not overlook another strong link in the chain that is stretched across the portal to guard the entrance into Uncle Sam's civil service. The head of the department and the chief in charge of the bureau or office who needs your services have a right to look over your examination papers before determining upon some one to fill a vacancy or a new position. They make sure that the right man is selected for the right place. From those who are eligible the selection as a rule is made from the three that passed highest. I have no doubt that you are now convinced that the old spoils system is buried a thousand leagues under the sea.

Now, to deepen the impression upon your mind I will go back once more to the illustration on the blackboard. Good, rich milk is bound to have some cream on top, and you will notice that our bottles in the illustration show two grand divisions: Those who failed to pass the examinations are represented by the larger portions in the two bottles. By the thin, watery, chalky-looking substance at the bottom, which amounts as you see, in proportion, to 58 per cent in the bottle on the left, and to 68 per cent in the one on the right.

Now you probably know that the longer milk stands the thicker and richer the cream on top. Please notice the line of separation in each bottle. It is very plain. In the examinations it is known by the term "nix," and it always has the minus sign,

and means below 70 per cent. Now, from that line on up we have the second grand division. This is the cream which represents those who passed the civil-service examinations. You will notice the shade becomes deeper until we reach Uncle Sam's portion on top, which is called *crème de la crème*. This is the best. There is nothing better; make your comparison any way you please. Now, my friends, make a mental note of what I say as I proceed to show you how Uncle Sam helps himself to the portion reserved for his own private use. I promised to let you into the secret, so here it goes.

Please take a good look again at the two bottles in the illustration. Notice that the cream is marked 42 per cent in the bottle on the left, representing those who passed for clerical positions; and 31 per cent in the other, representing those who passed for technical positions. These two percentages represent then, the 3,900 persons who successfully passed the examinations from 70 per cent all the way up to the top, 100 per cent. It appears, however, that Uncle Sam helped himself only to a few spoonfuls from the very top of each bottle. Just 14 per cent of the 42 per cent from one bottle, and 13 per cent of the 31 per cent of the other; or, in other words, of the 3,900 persons who passed he selected 1,400 only, to fill places in the departments in Washington and the various Government offices throughout the United States.

Now I do not wish to convey to you the idea that in the method of selection for appointment to the classified civil service that the Government has adopted a new plan. Quite the reverse. I wish only to emphasize the fact that by reason of the civil-service law the principle that governs in other directions has made possible its extension and application to nearly all appointments for the civil-service corps of the United States. I will illustrate what I mean. The United States Military Academy at West Point, which you well know furnishes the officers for the United States Army, and every young man to enter the academy must pass an entrance examination first. You will find that up to recently, but five of the graduates, the number is now ten, who have reached a certain high standing are admitted to the Engineer Corps, United States Army. The officers in this corps who have reached international eminence, down to Col. Goethals, who is now building the Panama Canal, are too numerous to mention. They are all well known to the general public. Further, those cadets who do not reach a certain standing are not permitted to graduate at all. Do you see the parallel of the controlling principle of the Government that leaves its impress upon the military and the civil service?

But now you are ready to tell me that a law has just passed that admits civilian engineers to the ranks of the Corps of Engineers, United States Army. I realize it. Anyone that can pass the mental and physical examinations and has all other qualifications necessary to enter its ranks may be assured of a warm welcome, no matter from what institution of learning he has received a diploma.

However, it is this governing principle which has laid its iron grip upon some of the Government service of to-day, and which is producing such results that will elevate the civil branch of Government service eventually to the dignity of a profession. Especially will this be true if provision is made for immediate retirement of superannuated employees; and for the retirement of civil-service employees at a certain age, and for pay commensurate with services and the degree of efficiency of each employee. Such a provision will bring within its ranks the best in skill, talent, and training that the country affords, and the United States civil-service corps will eventually constitute a body of persons which for effective service will have no equal in the world. Even West Point would furnish its quota from those who were not permitted to graduate for the military branch, say after a two or three years' course. They would then enter the civil-service corps. The cost of their education is considerable, and this expense is entirely lost to the Government, because there is no adequate provision made to absorb their service. But, of course, a West Pointer, though he fails to pass, has no difficulty to find remunerative employment far beyond any salary the civil service holds out to him at the present time.

While I am making predictions, let me remind you of what one of our prominent Congressmen recently said, according to public print: "As for the efficiency of the Government employees, I know it to be a fact that should the whole Cabinet take a summer off and go to Europe the work would go on just the same. The clerks can run the Government. The President and his advisers may frame the policies, but the employees are the ones who make the wheels of Government go round." These words were spoken in public by Representative Davis, of Minnesota. If this was an audience of civil-service employees, I would request that you rise to your feet and thus pay the highest tribute an American audience can pay to one of its distinguished citizens for such unstinted praise.

Now, in conclusion, permit me to remind you of just one feature of my theme. I have not used the cuttle-fish method of clouding the facts or hiding behind ambiguous terms. I have given you facts and figures as I know them to be, and as they are

on record. I have presented you certain facts—clean, clear-cut, fearless. I have used no harsh language against our enemies, though the provocation is ever present. I have made no odious comparisons between one class of employees and another, in and out of the Government service. I have presented to you solely the cause of the classified civil service as it is under the law. Those in the Government service who are outside the pale of civil-service law are an entirely different class of Government employees. Whether they do a lick of work for their salaries or not, does not concern us, who are in the civil service; that is a matter for the people and Congress to attend to. But we do object for anyone to mix us up, and cast sticks and stones at us when he really means some of the other fellows.

Now, I ought to stop right here, but I beg the privilege of talking to you at some other time, because I wish to go down deep into the reflex influences upon and benefits to the business world of applied civil service in the United States. Now, in closing, I beg for sympathy for those who failed in their examination and who had to go back where they came from. Some to their old places to tell the man behind the mahogany desk some of the things "George could not do." Yes; have sympathy for "George." He is back in his place where every other fellow says, "Let George do it." He is a better and a wiser man, and perhaps will do things a little more cheerfully than he did before he went up against it. I believe, too, he is now a greater man than he was before. He is likely to measure up to what is expected of him. His hallucinations and his "dead easy" and "soft-snap" ideas and big-pay notions and nothing to do, about which he has been dreaming for a year or so, have undergone a change. Some of his conceit has been worked off. The \$125 job he wanted in Uncle Sam's service, that would provide him with so many fancied luxuries and which he was so dead sure of, but missed, has made the difference in him. He has come to the conclusion that Uncle Sam wants \$3,500 men for \$1,500, and now, although he failed, I firmly believe, sooner or later, you will find him behind the mahogany desk in the back office getting his \$3,500 a year, a thing impossible to him had he passed at the top and gone into Uncle Sam's service; because, when a position commands such a salary, it is, as a rule, outside the civil service, and is seldom filled by a person in the civil service; filled usually by senatorial courtesy is the term used in such cases, I believe. But in the meantime have sympathy for him, I say, because he has been the victim of popular notions, whereby he was misled. The spoils system had its iron grip on the Federal offices.

In times gone by every ward boss that could not make an honest living anywhere, and every lame duck had to be worked into "something easy, and big pay," and no questions asked, they say. It may have been so for all I know. But there is one thing I do know positively and that is, that it is not so now in this year of our Lord, 1911. Moreover, I ask for sympathy for him who failed in his examination because now he is one of the wise men and a discoverer of many things—the principal one is that he knows that he does not know all, and perhaps from now on there will be a somewhat closer reciprocal and appreciative relation between himself and the man behind the mahogany desk.

Now just one word more. I wish to express the hope that my efforts to put the civil-service employees in their lawful place, which by right belongs to them and which they have acquired through test of ability has not been in vain. It is their heritage. Their position and their standing have come to them through a power entirely their own. I believe that the thinking and fair-minded portion of the American people will not be slow to recognize this fact. I trust also, that our excuse will gain for us soon general public favor; and that our friends have now received renewed encouragement to step forward in the good work in our behalf until each employee receives a salary commensurate with services performed, and that the incentive will ever be within us to make ourselves, as civil-service employees of the Government, worthy of their best efforts in our behalf.

What is a Government clerk, anyway? "Why, that question is easy. It is a clerk in the service of the Federal Government. It is usually a man unless it is a woman." That, my friends, used to be the brilliant and best answer that most people could give in the past. It never was, and of course is not now, a sufficient and complete answer. The Government compresses the majority of occupants of the positions required to carry on its vast business in all its intricate and complex details, into one mold termed "clerk." This, as a rule, does not impress the mind with high ideals and much ability. The moment, however, he quits the Government service his abilities and worth are recognized when he emerges from his clerical chrysalis by which he was lost in the mass and engages in commercial, financial, and as is often the case in professional, pursuits; his liberation from the "only a clerk" is complete. This is the lesson of the 12,000 who resigned during the past year. He becomes a cashier, a paying teller, a credit man, a bookkeeper, an expert accountant, a secretary, a purchasing agent, a manager, a sales manager, a vice president. We find him sitting

as a director on various boards. He is now a business man. This is the epitome of the poorly paid civil-service clerk; and thousands of others who quit the service every year. The business men smile at the foolish and short-sighted policy of the Government—that puts the front door into the civil service just on a crack and guards it so zealously, but must leave the back door out of the service wide open because the Government's short-sighted policy does not permit paying a salary commensurate with duties and responsibilities and services. It affords, therefore, a splendid source for business men to draw from for their wants. An ever-changing personnel demands that employees of long experience must train those who enter the broken ranks as raw material and who enter under present conditions to stay only till a better-paying position outside the service is secured. The prudent business man does not consider this a wise policy.

From without the wall, then, of the civil service, from over the hills of success of those who have gone forth, comes echoing back the answer to the question: "What is a Government clerk?"

APPENDIX A (PART OF EXHIBIT B).

MEDICAL CERTIFICATE.

This medical certificate is required of all applicants.

N. B.—The examining physician is requested to read this certificate carefully before beginning the examination and to note applicant's answers to questions 3 and 5a of the application. Applicants for the Railway Mail Service must be examined divested of their clothing. Applicants for positions in the Public Health and Marine-Hospital Service must be examined by physicians in that service. All entries upon this certificate must be made in ink.

If erasures or corrections be made in answer to questions contained in "Medical certificate," or in date of same, certification must be made on the margin by the physician showing such corrections. All physical defects must be fully described opposite the question or under the last heading (24). "R," right; "L," left. Under heading 5 use terms poor, fair, average, good, or excellent.

1. Exact weight, in ordinary clothing, without overcoat or hat pounds. (The physician must himself weigh the applicant.)

2. Exact height without boots or shoes feet inches. (The physician must himself measure the applicant.)

3. Girth (waist at level of umbilicus) inches.

4. Girth (thorax at level of fourth rib): At rest, inches; at full inspiration, inches; at full expiration, inches.

5. Degree of robustness,

6. Vision (test both eyes for both near and distant vision, using, if possible, Snellen's test types): Is the applicant's sight defective; if so, to what extent? Is the applicant color blind? Does the applicant wear glasses? Should the applicant wear glasses?

7. Hearing: Ticking of watch, R. ear, feet; L. ear, feet. Ordinary conversation, R. ear, feet; L. ear, feet.

8. Has the applicant any defect of speech? If so, describe it.

9. Thorax (shape, depth, etc.).

10. Nasal fossæ,

11. Mouth and pharynx (teeth, tonsils, etc.).

12. Has the applicant any curvature of spine? If so, give extent and cause.

13. Limbs (defects, deformity, varicose veins, ulcers, etc.).

14. Is there evidence of disease, or of abnormal functions, of the cerebro-spinal or sympathetic nervous system?

15. Pulmonary sounds produced: (a) By auscultation,; (b) By percussion,; râles, if any,

16. Are there any indications of disease or of derangement of function of the organs of respiration or their appendages? Describe fully.

17. Pulse: When sitting, beats per min.,; character, When standing, beats per min.,; character, After testing agility, beats per min.,; character, (Hop on one foot a distance of 12 feet.) Cardiac condition shown (murmurs, rhythm, etc.): (a) On palpation, (b) On percussion, (c) on auscultation,

18. Has he been successfully vaccinated within the past five years?

19. Are there any indications of disease of the heart or of blood vessels? Describe fully.

20. Are there evidences of disease of the digestive system or of any of the abdominal organs? Describe fully.

21. Has the applicant rheumatism, gout, chronic catarrh of any organ, disease or defect of any of the organs of special sense, hernia, varicocele, sarcocele, hydrocele, hemorrhoids, fistula in ano, enlarged lymphatic glands or other tumor, any genito-urinary disease, or any cutaneous disease, or any evidence of having had venereal disease?

22. Has the applicant any predisposition, either hereditary or acquired, to any constitutional disease, or any tendency to disease or disability which is likely to unfit him for the performance of the work of the position which he seeks?

23. Are there indications that the applicant uses intoxicating beverages, tobacco, or narcotics in any form, and if so, to what extent?

24. Give here a supplemental and complete description of every abnormality, disease, or physical defect, past or present:

This space to be filled in by the applicant in his own handwriting, in the presence of the physician.

(Signature of applicant.)

I certify that I have made a thorough examination of and personally weighed and measured the above-named applicant, that each and all of the above answers are in my own handwriting and are true, and that the applicant wrote his signature, just above, in my presence.

(Signature of physician.)

Date,, 19.... (P. O. address of physician.)

(Applicant will not fill the following blanks.)

Final certificate of naturalization of (name of person naturalized) issued by the court of (city) (State) on, 19...., was filed with this application by the applicant, and was found by me to be in due form in all respects. The certificate was returned to the applicant on, 19....
(Initials.)

STATEMENT OF JOSEPH W. BUCK.

Mr. BUCK. If you will pardon me, Doctor, our time is very nearly up and I have a few words I would like to say.

I entered the Government service July 14, 1898, by civil service examination, and was appointed to a first-grade clerkship in the office of the Auditor for the War Department and served there for 10 years and 2 months, ending January 28, 1909, when I resigned, with 60 days' leave, to prosecute this retirement measure.

Mr. DIES. What salary did you go in on and what salary did you come out with?

Mr. BUCK. \$1,200. I was promoted in 1899 to \$1,400 and I was promoted in 1905 to \$1,600 and resigned at that salary. I served six years at \$1,600. I offended the Auditor for the War Department, Mr. Harper, by handing my resignation direct to Mr. MacVeagh. After I had been on leave for six weeks, when he, Mr. MacVeagh, came in on March 6, I handed my resignation for the purpose of asking that I be reinstated at my old pay, if I desired to return to the service in twelve months, because I was taking a philanthropic stand for the clerks by publishing this magazine in their interest.

Mr. DIES. Oh, you had been publishing a magazine?

Mr. BUCK. I did, for six months. I dropped \$3,500, and had to go back.

I want to show you, before 12 o'clock, that I saved in the 10 years and 2 months service more than three times as much money as I received in salary during that time, in disallowances that I made in the examination of quartermasters' accounts. These are facts. Mr. Dies wants facts. These are facts I am giving the committee. I will show you how it bears on the case.

I served there 10 years and 2 months, working assiduously, as many men work there for \$1,600, \$1,400, and \$1,800, auditing quartermasters' claims, which are very complicated. There is no man in this room, I do not care how intellectual he may be, that can qualify himself within two years for that work. I tried to stay with Sam Brown as chief, but found he was incompetent and then I resigned when I could not get a transfer.

Mr. DIES. Was not that in civil service?

Mr. BUCK. That was in civil service. That man was not competent then. I was an applicant for chief of the division. He is not competent now. He has never saved a dollar to the Government. The principal business he does is to smoke great big fat cigars, and no man in the division will state that he is competent.

Mr. DIES. Did not you bring this before the Civil Service Commission?

Mr. BUCK. No, sir. I went to Chief Clerk Lyman.

Mr. DIES. But if this promotion was made because of political influence, and you could show that before the Civil Service Commission, could you not rectify it?

Mr. BUCK. The Civil Service Commission would not consider any statement I might make, except through the Treasury Department officials.

Mr. FINLEY. Why?

Mr. BUCK. I talked to Mr. John T. Doyle, who is a personal friend of mine, and he said I had better not raise it.

Mr. TALCOTT. Who is Mr. John T. Doyle?

Mr. BUCK. Secretary of the Civil Service Commission.

I just want to go into the statement made by my friend Mr. Gordon. There is nobody renders more respect to superiors than I do. I am a military man, a veteran of the Indian war of 1876 and 1879. That was an absolute lie that I said Congress should be horsewhipped. I repeated what a gentleman told me on F Street the day before.

Mr. DIES. What did he tell you? I can not keep up with the situation.

Mr. BUCK. The reporters in the papers said I said it myself, that Congress should be horsewhipped for neglecting the clerks. I just refer to this because Mr. Gordon has seen fit to say that the vice presidents resigned because of it—Mr. Ailes, representing Riggs Bank, Mr. Edson, representing the Washington Loan & Trust Co., and Mr. Bell. Mr. Bell and Mr. Edson both are personal friends of mine, and I have conferred with them since they resigned, and they are heartily in favor of the association.

Mr. DIES. You said you were quoting some one else when you said the Congress ought to be horsewhipped.

Mr. BUCK. Well, it was a prominent gentleman. I told Mr. Edson who the gentleman was. But now I have got the onus on me, but I am willing to take it; I don't believe in shoving it off.

Mr. DIES. I was going to say the newspapers must have done you a great injustice.

Mr. BUCK. They certainly did.

Mr. DIES. You did not give your authority when you made the statement?

Mr. BUCK. They did not ask whether I said it of my own free will and accord.

I want to make this point: These vice presidents and Mr. Gordon did not resign until three days after this statement appeared in the papers that it was alleged I made, but they did resign immediately after Mr. Gordon made the speech in the Civil Service Retirement Association the next day, where he said there was a possibility of strikes.

Mr. DIES. I saw something about that in the paper. I wish you would give me, if you can, the history of it. What did he say about strikes?

Mr. BUCK. Mr. Gordon made the statement he believed in employees organizing and there might be a possibility of strikes in the future. The papers exaggerated that the next morning by saying he advised strikes. The newspapers of Washington are, in my opinion—of course, this is not germane, probably—they are run by a lot of country men.

Mr. DIES. Farmers or blacksmiths? [Laughter.]

Mr. BUCK. Farmers, I think. [Laughter.] I think the record I have over here in Congress Hall, showing 418 business men coming to this city, and their having been sidetracked by the Chamber of Commerce, some of the members of this committee of 21, and certain newspapers, is a sad thing—that these men were kept away from Washington. It would have been the biggest thing, from a commercial standpoint, had they been allowed to come here.

Gentlemen, I thank you very much.

Dr. JORDAN. May I add a word, before you disperse?

I want to call your attention to the fact that it might be wise to have a special committee of the main committee take up for consideration the reasonableness of these retirement plans, so that we might know what disposition is to be made of that phase of the matter.

The CHAIRMAN. We will consider that.

Mr. GOMPERS. May I ask what disposition has been made by the committee of the hearing on the Lloyd bill?

The CHAIRMAN. The committee has adjourned on that bill, subject to the call of the chairman.

Mr. GOMPERS. Of course I would not care to prolong the hearing unnecessarily, but I should like to have the privilege of the attention of the committee for a brief time, at the convenience of the committee.

The CHAIRMAN. You will have notice of the time.

By limitation the committee will now adjourn.

(Thereupon, at 12 o'clock, noon, the committee adjourned.)

APPENDIX.

THE AUSTIN BILL.

[H. R. 729, Sixty-second Congress, first session.]

A BILL For increasing the salaries and for the retirement of employees in the classified civil service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That beginning with the first day of July next following the passage of this act the annual salary, pay, or compensation of every officer or employee of the United States to whom this act applies shall be increased to an amount, computed to the nearest multiple of twelve dollars, that will be equal to one hundred and fifteen per centum of the present grade of salary, pay, or compensation of such officer or employee, and from such salary, pay, or compensation there shall be deducted and withheld monthly an amount, computed to the nearest tenth of a dollar, that will be sufficient, with interest thereon at five per centum per annum, compounded

annually, to purchase from the United States, under the provisions of this act, an annuity, payable quarterly throughout life, for every such employee on arrival at the age of retirement as hereinafter provided, equal to one and one-half per centum of his annual salary, pay, or compensation for every full year of service or major fraction thereof between the date of the passage of this act and the arrival of the employee at the age of retirement. The deductions hereby provided for shall be based on such annuity table as the Secretary of the Treasury may direct, and interest at the rate of five per centum per annum, compounded annually, and shall be varied to correspond to any change in the salary of the employee.

SEC. 2. That the amounts so deducted and withheld from the salary, pay, or compensation of each employee shall be deposited in the Treasury of the United States and shall be credited, together with interest at five per centum per annum, compounded annually, to an individual account of the employee from whose salary, pay, or compensation the deduction is made. The moneys so deducted and the income derived therefrom may, from time to time, be deposited in savings banks designated by the Secretary of the Treasury for that purpose: *Provided, however,* That the savings banks receiving such deposits shall pay interest thereon at a rate of not less than three and one-half per centum per annum, compounded annually. For the safe-keeping and prompt payment of the money deposited with them the Secretary of the Treasury shall require the savings banks to give satisfactory security by the deposit of bonds of the United States, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued for municipal purposes by any city or town in the United States which has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted for by it, and which has at such date more than twenty-five thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed five per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes; or any legally authorized bonds issued for municipal purposes by any city or town in the United States which has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than two hundred thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed seven per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes. In this clause the words "net indebtedness" mean the indebtedness of any city or town, omitting debts created for supplying the inhabitants with water, and debts created in anticipation of taxes to be paid within one year, and deducting the amount of sinking funds available for the payment of the indebtedness included. The Secretary of the Treasury shall accept, for the purpose of this act, securities herein enumerated in such proportions as he may from time to time determine, and he may at any time require the deposit of additional securities, or require any bank to change the character of the securities already on deposit. It shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this section, and he shall from time to time furnish information to savings banks as to such bonds as would be accepted as security. When consistent with the best interests of the fund created by this act, the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably among the different States and sections.

If for any reason the Secretary of the Treasury shall not be able to make satisfactory arrangements with savings banks for all of the funds, then he may invest the balance in any of the aforementioned securities.

The moneys deducted from salaries and the income derived therefrom shall be held and deposited or invested, as above described, by the Secretary of the Treasury until paid out as hereinafter provided. Any deficiency in the fund hereby created to carry out the provisions of this act shall be paid out of any money in the Treasury not otherwise appropriated.

For the purpose of aiding the Secretary of the Treasury in depositing and investing the funds created by this act, a board of investment is hereby created, composed of the Treasurer of the United States, the Comptroller of the Currency, the chief of the office created by the provisions of this act, and two persons to be designated by the President from among the employees of the classified civil service. The members of the board of investment shall be sworn and shall hold office until others are appointed and qualified in their stead.

SEC. 3. That the retirement age herein referred to shall be sixty-five years for group one, sixty-five years for group two, and seventy years for group three. And the President of the United States shall designate the branches of the service to be included in each group.

SEC. 4. That if within thirty days before the arrival of an employee at the age of retirement the head of the department or independent office in which he is employed certifies to the Secretary of the Treasury that by reason of his efficiency and his willingness to remain in the service the continuance of such employee therein would be advantageous to the public service, such employee may be retained for a term not exceeding two years, and at the end of two years he may by similar certification be continued for an additional term of two years, and so on: *Provided, however,* That after the first day of July, nineteen hundred and twenty, no person to whom this act applies shall be continued in the service beyond the age of retirement as herein provided. Upon the failure of the head of the department or independent office to make the above-described certificate it shall be the duty of the Secretary of the Treasury to place such employee upon the retired list in accordance with the provisions of this act.

SEC. 5. That if an employee is retained in the service after reaching the retirement age a deduction of ten per centum of his monthly salary, pay, or compensation shall thereafter be made while he remains in the service, and the same shall be treated as other deductions under section two of this act.

SEC. 6. That upon retiring at the age of retirement, or thereafter, the employee may withdraw his savings, with the increment of interest as herein provided, under one of the following options, and if Option I or Option II is selected, receive in addition thereto such annuity, if any, as may be apportioned by the Secretary of the Treasury out of accumulations in excess of five per centum guaranteed by the provisions of this act, and such apportionment by the Secretary of the Treasury shall be conclusive:

Option I. In an annuity payable quarterly throughout life.

Option II. In an annuity payable quarterly throughout life, with the provision that in case of the death of the annuitant before he has received in annuities the amount of his savings, plus the interest credited thereon, the balance shall be paid to his legal heirs. In determining at his death the amount due to his heirs no account shall be taken of the annuities paid to him by the United States under section eleven of this act.

Option III. In one sum.

If after retirement the employee does not avail himself of one of the foregoing options, but leaves the amount due him on deposit, interest at the rate of two per centum per annum on the original sum so left on deposit on retirement shall be credited thereto for a period not exceeding twenty years, and if not then withdrawn, the money so left on deposit, without interest, shall be covered into the Treasury as a miscellaneous receipt.

SEC. 7. That upon absolute separation from the civil service prior to the retirement age, and only upon such separation, the employee may withdraw his savings in one sum, and in case he has been in such service not less than six years, he may also receive in addition thereto interest on his savings at the rate of five per centum per annum, compounded annually, or, in case his savings amount to at least one thousand dollars, he may withdraw the same under any one of the foregoing options, computed on the basis of his attained age. In case of the death of an employee while in the service the amount of his savings, together with the interest credited thereon, shall be paid to his legal heirs.

SEC. 8. That beginning with the first day of July next following the passage of this act there shall be deducted and withheld from the monthly salary, pay, or compensation of every employee newly entering the service to whom this act applies an amount equal to one-fifth of his monthly salary, pay, or compensation during the first six months of his employment; and in every case of promotion of any person to whom this act applies there shall be deducted and withheld from the monthly salary, pay, or compensation of such person an amount equal to the increase made by such promotion during the first three months from the taking effect thereof; and the amounts so deducted and withheld shall be deposited in the Treasury of the United States to the credit of a special fund to carry out the provisions of section nine of this act.

SEC. 9. That beginning one year after the first day of July next following the passage of this act, an employee to whom this act applies, who, by reason of accident or illness not due to vicious habits or by reason of exigencies of the service, but without fault or delinquency on his part, has become totally and permanently disabled, may retire from active service prior to the age of retirement, and, on certificate from the head of the department or independent office in which he is employed to the Secretary of the Treasury, setting forth such disability, and the approval of such certificate

by the Secretary of the Treasury. may receive, out of the fund created by section eight of this act, an annual disability allowance, payable quarterly, equal to one and one-half per centum of his total compensation during service prior to such retirement: *Provided, however,* That, unless prorated by the Secretary of the Treasury as hereinafter provided, the allowance for disability, due to accident, shall be equal to not less than twenty per centum of the average annual compensation of the disabled employee prior to such retirement: *And provided further,* That the allowance for disability due to illness shall only be granted after twenty years of service. Allowances under this section shall be discontinued on arrival of the employee at the age of retirement unless sooner terminated by the Secretary of the Treasury.

If upon the retirement of an employee on a disability allowance the money then to his credit, under section two of this act, together with interest thereon at five per centum per annum, compounded annually, will not be sufficient to purchase an annuity, payable quarterly throughout life, for such employee on arrival at the age of retirement, equal to his annual disability allowance, the Secretary of the Treasury shall deduct and withhold from his quarterly disability allowance an amount, computed to the nearest tenth of a dollar, that, together with the money then to his credit, with interest, will be sufficient to purchase such annuity. Amounts deducted and withheld from disability allowances shall be treated as deductions under section two of this act. If the money to his credit, as aforesaid, is in excess of the amount that will be required to purchase such annuity, he may withdraw such excess in one cash sum, or in an annuity limited to the age of retirement.

The Secretary of the Treasury shall reduce or terminate the disability allowance granted to any employee whenever in his judgment it is proper to do so, and such action on his part shall be final and conclusive.

In case of the death of an employee while in the receipt of a disability allowance, the amount to his credit under section two of this act shall be paid to his legal heirs, and the disability allowance shall cease and determine.

The disability allowances hereby provided for shall at all times be limited to the fund created by section eight of this act, and if any valuation of the fund shows the liabilities for allowances to be in excess of the resources of such fund, then the allowances shall be reduced pro rata to a sum within the fund.

SEC. 10. That in case of reinstatement in the classified civil service of any person who at the time of his separation therefrom received a refund under section seven of this act, his period of service for the purpose of retirement and of making the monthly deduction from his salary shall be computed from the date of such reinstatement, unless he shall, within ninety days after reinstatement, pay to the Secretary of the Treasury the amount refunded to him, with interest at five per centum per annum, in which case the same shall be replaced to the credit of his account, and the former period of service shall be counted.

SEC. 11. That beginning with the first day of July next following the passage of this act every employee to whom this act applies shall be entitled, on reaching the retirement age, or having already passed that age, to retire from the service under the provisions hereinbefore contained, and also, in addition to the annuity herein provided for by his own contributions from his salary, to receive from the United States during the remainder of his life an annuity equal to one and one-half per centum of his total compensation during service prior to the taking effect of this act; and the Secretary of the Treasury is hereby authorized and directed to pay such annuity quarterly, upon proper certification of the retirement of such employee by the appointing officer under whom he last served. Annuities from the United States for the period of service prior to the passage of this act shall be payable only on condition that the employee remains in the service until he reaches the age of retirement: *Provided, however,* That employees of group one may receive the annuity granted by this section on retirement at the age of sixty years or thereafter. On the death of the employee the payment of annuities provided for by this section shall cease and determine. Annuities payable by the United States on salaries in excess of two thousand five hundred dollars per annum shall be based upon an annual salary of two thousand five hundred dollars.

SEC. 12. That the period of service upon which the annuity to be paid by the United States is based shall be computed from the original employment, whether as a classified or unclassified employee, and shall include periods of service at different times and service in one or more departments, branches, or independent offices of the Government, the Signal Corps prior to July first, eighteen hundred and ninety-one, and the general service in or under the War Department prior to May sixth, eighteen hundred and ninety-six.

SEC. 13. That every person to whom this act applies, who shall continue in the classified civil service after the passage of this act, as well as every person to whom

this act applies, who may hereafter be appointed to a position or place, shall be deemed to consent and agree to the deductions made and provided for herein, and shall receipt in full for the salary, pay, or compensation which may be paid monthly or at any other time, and such payment shall be a full and complete discharge and acquittance of all claims or demands whatsoever for services rendered by such person during the period covered by such payment, notwithstanding the provisions of sections one hundred and six-seven, one hundred and sixty-eight, and one hundred and sixty-nine of the Revised Statutes of the United States, or of any other law, rule, or regulation affecting the salary, pay, or compensation of any person or persons employed in the classified civil service to whom this act applies.

SEC. 14. That the Secretary of the Treasury shall prepare and keep all needful tables, records, and accounts required for carrying out the provisions of this act. The records to be kept shall include data showing the mortality experience of the employees in the various branches of the service and the rate of withdrawal from the classified service and any other information that may be of value and may serve as a guide for future valuations and adjustments of the plan for the retirement of employees. The Secretary of the Treasury shall make a detailed comparative report annually to Congress showing all receipts and disbursements under the provisions of this act, together with the total number of persons receiving annuities and disability allowances and the amounts paid them.

SEC. 15. That the provisions of this act shall apply to all persons entering the classified civil service after the first day of July next following the passage of this act, and to all persons in the classified civil service prior to the taking effect of this act who shall, by written application to the Secretary of the Treasury within one year after the first day of July next following the passage of this act, elect to become subject to the provisions of this act. The classified civil service is hereby defined to include all officers and employees in the executive civil service of the United States except unskilled laborers and persons appointed by the President and confirmed by the Senate.

No person serving in a position excepted from examination or registration as defined in the civil-service rules shall be included within the provisions of this act unless he has served in a competitive position for at least one year. Whenever any person becomes separated from the classified civil service by reason of appointment in the unclassified service, such separation shall not operate to take him out of the provisions of this act. The President shall have power, in his discretion, to exclude from the operation of this act any group of employees whose tenure of office is intermittent or of uncertain duration.

SEC. 16. That none of the moneys mentioned in this act shall be assignable either in law or equity or be subject to execution or levy by attachment, garnishment, or other legal process.

SEC. 17. That for the clerical and other service and all other expenses necessary in carrying out the provisions of this act during the fiscal years nineteen hundred and eleven and nineteen hundred and twelve, including salaries and rent in the city of Washington, there is hereby appropriated the sum of fifty thousand dollars, out of any money in the Treasury not otherwise appropriated, to be available until expended.

SEC. 18. That the Secretary of the Treasury is hereby authorized to perform or cause to be performed any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

THE GILLETT RETIREMENT BILL.

[H. R. 750. Sixty-second Congress, first session.]

A BILL For the retirement of employees in the classified civil service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That beginning with the first day of July next following the passage of this act there shall be deducted and withheld from the monthly salary, pay, or compensation of every officer or employee of the United States to whom this act applies an amount, computed to the nearest tenth of a dollar, that will be sufficient, with interest thereon at four per centum per annum, compounded annually, to purchase from the United States, under the provisions of this act, an annuity, payable quarterly throughout life, for every such employee on arrival at the age of retirement as hereinafter provided, equal to one and one-half per centum of his annual salary, pay, or compensation for every full year of service or major fraction thereof between the date

of the passage of this act and the arrival of the employee at the age of retirement. The deductions hereby provided for shall be based on such annuity table as the Secretary of the Treasury may direct, and bear interest at the rate of four per centum per annum, compounded annually, and shall be varied to correspond to any change in the salary of the employee.

SEC. 2. That the amounts so deducted and withheld from the salary, pay, or compensation of each employee shall be deposited in the Treasury of the United States and shall be credited, together with interest at four per centum per annum, compounded annually, to an individual account of the employee from whose salary, pay, or compensation the deduction is made. The moneys so deducted and the income derived therefrom may from time to time be deposited in savings banks designated by the Secretary of the Treasury for that purpose: *Provided, however,* That the savings banks receiving such deposits shall pay interest thereon at a rate of not less than four per centum per annum, compounded annually. For the safe-keeping and prompt payment of the money deposited with them the Secretary of the Treasury shall require the savings banks to give satisfactory security, by the deposit of bonds of the United States, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued for municipal purposes by any city or town in the United States which has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than twenty-five thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed five per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes; or any legally authorized bonds issued for municipal purposes by any city or town in the United States which has been in existence as a city or town for a period of twenty-five years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and which has at such date more than two hundred thousand inhabitants, as established by the last national census, and whose net indebtedness does not exceed seven per centum of the valuation of the taxable property therein, to be ascertained by the last preceding valuation of property for the assessment of taxes. In this clause the words "net indebtedness" mean the indebtedness of any city or town, omitting debts created for supplying the inhabitants with water, and debts created in anticipation of taxes to be paid within one year, and deducting the amount of sinking funds available for the payment of the indebtedness included. The Secretary of the Treasury shall accept, for the purpose of this act, securities herein enumerated in such proportions as he may from time to time determine, and he may at any time require the deposit of additional securities, or require any bank to change the character of the securities already on deposit. It shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this section, and he shall from time to time furnish information to savings banks as to such bonds as would be accepted as security. When consistent with the best interests of the fund created by this act, the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different States and sections.

If, for any reason, the Secretary of the Treasury shall not be able to make satisfactory arrangements with savings banks for all of the funds, then he may invest the balance in any of the aforementioned securities.

The moneys deducted from salaries and the income derived therefrom shall be held and deposited or invested, as above described, by the Secretary of the Treasury until paid out as hereinafter provided. Any deficiency in the fund hereby created to carry out the provisions of this act shall be paid out of any money in the Treasury not otherwise appropriated.

For the purpose of aiding the Secretary of the Treasury in depositing and investing the funds created by this act a board of investment is hereby created, composed of the Treasurer of the United States, the Comptroller of the Currency, the chief of the office created by the provisions of this act, and two persons to be designated by the President from among the employees of the classified civil service. The members of the board of investment shall be sworn, and shall hold office until others are appointed and qualified in their stead.

SEC. 3. That the retirement age herein referred to shall be sixty-five years for group one, sixty-five years for group two, and seventy years for group three. And the President of the United States shall designate the branches of the service to be included in each group.

SEC. 4. That if within thirty days before the arrival of an employee at the age of retirement the head of the department or independent office in which he is employed certifies to the Secretary of the Treasury that by reason of his efficiency and his willingness to remain in the service the continuance of such employee therein would be advantageous to the public service, such employee may be retained for a term not exceeding two years; and at the end of the two years he may by similar certification be continued for an additional term of two years, and so on: *Provided, however,* That after the first day of July, nineteen hundred and twenty, no person to whom this act applies shall be continued in the service beyond the age of retirement as herein provided. Upon the failure of the head of the department or independent office to make the above-described certificate it shall be the duty of the Secretary of the Treasury to place such employee upon the retired list in accordance with the provisions of this act.

SEC. 5. That if an employee is retained in the service after reaching the retirement age a deduction of ten per centum of his monthly salary, pay, or compensation shall thereafter be made while he remains in the service, and the same shall be treated as other deductions under section two of this act.

SEC. 6. That upon retiring at the age of retirement, or thereafter, the employee may withdraw his savings, with the increment of interest as herein provided, under one of the following options, and if Option I or Option II is selected, receive in addition thereto such annuity, if any, as may be apportioned by the Secretary of the Treasury out of accumulations in excess of four per centum guaranteed by the provisions of this act, and such apportionment by the Secretary of the Treasury shall be conclusive:

Option I. In an annuity payable quarterly throughout life.

Option II. In an annuity payable quarterly throughout life, with the provision that in case of the death of the annuitant before he has received in annuities the amount of his savings, plus the interest credited thereon, the balance shall be paid to his legal heirs. In determining at his death the amount due to his heirs no account shall be taken of the annuities paid to him by the United States under section nine of this act.

Option III. In one sum.

If after retirement the employee does not avail himself of one of the foregoing options, but leaves the amount due him on deposit, interest at the rate of two per centum per annum on the original sum so left on deposit on retirement shall be credited thereto for a period not exceeding twenty years, and if not then withdrawn the money so left on deposit, without interest, shall be covered into the Treasury as a miscellaneous receipt.

SEC. 7. That upon absolute separation from the civil service prior to the retirement age, and only upon such separation, the employee may withdraw his savings in one sum, and in case he has been in such service not less than six years he may also receive in addition thereto interest on his savings at the rate of four per centum per annum, compounded annually; or, in case his savings amount to at least one thousand dollars, he may withdraw the same under any one of the foregoing options computed on the basis of his attained age. In case of the death of an employee while in the service the amount of his savings, together with the interest credited thereon, shall be paid to his legal heirs.

SEC. 8. That in case of reinstatement in the classified civil service of any person who at the time of his separation therefrom received a refund under section seven of this act, his period of service for the purpose of retirement and of making the monthly deductions from his salary shall be computed from the date of such reinstatement, unless he shall, within ninety days after reinstatement, pay to the Secretary of the Treasury the amount refunded to him, with interest at four per centum per annum, in which case the same shall be replaced to the credit of his account, and the former period of service shall be counted.

SEC. 9. That beginning with the first day of July next following the passage of this act every employee to whom this act applies shall be entitled, on reaching the retirement age, or having already passed that age, to retire from the service under the provisions hereinbefore contained, and also, in addition to the annuity herein provided for by his own contributions from his salary, to receive from the United States during the remainder of his life an annuity equal to one and one-half per centum of his total compensation during service prior to the taking effect of this act: *Provided, however,* That no annuity shall be paid by the United States for services prior to the passage of this act, which, together with the annuity earned by the employee's own contribution, shall amount to more than six hundred dollars; and the Secretary of the Treasury is hereby authorized and directed to pay such annuity quarterly, upon proper certification of the retirement of such employee by the appointing officer under whom he last served. Annuities from the United States for the period of service prior to the passage of this act shall be payable only on condition that the employee remains in the service until he reaches the age of retirement: *Provided, however,* That employees

of group one may receive the annuity granted by this section on retirement at the age of sixty years or thereafter. On the death of the employee the payment of annuities provided for by this section shall cease and determine. Annuities payable by the United States on salaries in excess of two thousand five hundred dollars per annum shall be based upon an annual salary of two thousand five hundred dollars.

SEC. 10. That the period of service upon which the annuity to be paid by the United States is based shall be computed from original employment, whether as a classified or unclassified employee, and shall include periods of service at different times and service in one or more departments, branches, or independent offices of the Government, the Signal Corps prior to July first, eighteen hundred and ninety-one, and the general service in or under the War Department prior to May sixth, eighteen hundred and ninety-six.

SEC. 11. That every person to whom this act applies who shall continue in the classified civil service after the passage of this act, as well as every person to whom this act applies who may hereafter be appointed to a position or place, shall be deemed to consent and agree to the deductions made and provided for herein, and shall receipt in full for the salary, pay, or compensation which may be paid monthly or at any other time, and such payment shall be a full and complete discharge and acquittance of all claims or demands whatsoever for services rendered by such person during the period covered by such payment, notwithstanding the provisions of sections one hundred and sixty-seven, one hundred and sixty-eight, and one hundred and sixty-nine of the Revised Statutes of the United States, or of any other law, rule, or regulation affecting the salary, pay, or compensation of any person or persons employed in the classified civil service to whom this act applies.

SEC. 12. That the Secretary of the Treasury shall prepare and keep all needful tables, records, and accounts required for carrying out the provisions of this act. The records to be kept shall include data showing the mortality experience of the employees in the various branches of the service and the rate of withdrawal from the classified service, and any other information that may be of value and may serve as a guide for future valuations and adjustments of the plan for the retirement of employees. The Secretary of the Treasury shall make a detailed comparative report annually to Congress showing all receipts and disbursements under the provisions of this act, together with the total number of persons receiving annuities and disability allowances and the amounts paid them.

SEC. 13. That no person serving in a position excepted from examination or registration as defined in the civil-service rules shall be included within the provisions of this act unless he has served in a competitive position for at least one year. Whenever any person becomes separated from the classified service by reason of appointment in the unclassified service, such separation shall not operate to take him out of the provisions of this act. The President shall have power, in his discretion, to exclude from the operation of this act any group of employees whose tenure of office is intermittent or of uncertain duration.

SEC. 14. That none of the moneys mentioned in this act shall be assignable either in law or equity or be subject to execution or levy by attachment, garnishment, or other legal process.

SEC. 15. That for the clerical and other service and all other expenses necessary in carrying out the provisions of this act during the fiscal year nineteen hundred and twelve, including salaries and rent in the city of Washington, there is hereby appropriated the sum of forty thousand dollars out of any money in the Treasury not otherwise appropriated, to be available until expended.

SEC. 16. That the Secretary of the Treasury is hereby authorized to perform or cause to be performed any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

THE GILLETT RECLASSIFICATION BILL.

[H. R. 1298, Sixty-second Congress, first session.]

A BILL To amend section one hundred and sixty-seven of the Revised Statutes of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following schedule of grades and salaries for employees in the executive departments and establishments is hereby adopted, and hereafter estimates for salaries of the employees in the several grades described in said schedule shall be made in accordance with the rates named therein.

SCHEDULE.

SUPERVISORY GRADES.

Chief clerks and chiefs of division and other employees who perform supervisory, executive, and administrative duties to be specifically estimated for. Salaries: Four thousand two hundred dollars to two thousand one hundred dollars.

CLERICAL GRADES.

I. SENIOR CLERKS.—Employees who are assigned to work largely supervisory, or requiring the highest order of clerical ability, involving much original thought, consideration, and investigation. Salaries: Two thousand one hundred dollars, one thousand nine hundred and eighty dollars, one thousand eight hundred and sixty dollars.

II. CLERKS.—Employees who are assigned to work more or less routine, involving responsibility, special ability and original thought, consideration, and investigation. Salaries: One thousand seven hundred and forty dollars, one thousand six hundred and twenty dollars, one thousand five hundred dollars.

III. JUNIOR CLERKS.—Employees who are assigned to work of a routine character, requiring but little original thought or consideration, but requiring judgment, responsibility, and special skill. Salaries: One thousand three hundred and eighty dollars, one thousand three hundred and twenty dollars, one thousand two hundred and sixty dollars, one thousand two hundred dollars.

IV. UNDER CLERKS.—Employees who are assigned to work of a simple or routine character, requiring care, accuracy, and skill. Salaries: One thousand and eighty dollars, one thousand and twenty dollars, nine hundred and sixty dollars, nine hundred dollars.

SUBCLERICAL GRADES.

I. Employees whose duties are not clerical or mechanical, but require some special skill, or involve personal responsibility, as messengers, watchmen, skilled laborers. Salaries: Eight hundred and forty dollars, seven hundred and eighty dollars, seven hundred and twenty dollars, six hundred and sixty dollars.

II. Employees engaged in rough and unskilled work, as laborers generally. Salaries: Six hundred and sixty dollars, six hundred dollars.

III. Employees who enter the service at an early age and are engaged in light work, as messenger boys. Salaries: Four hundred and eighty dollars, four hundred and twenty dollars, three hundred and sixty dollars, three hundred dollars.

IV. Employees whose work occupies only part of the time each day, as charwomen and janitors. Salaries: Three hundred and sixty dollars, three hundred dollars, two hundred and forty dollars.

PROFESSIONAL, SCIENTIFIC, AND TECHNICAL TRADES AND MISCELLANEOUS EMPLOYEES.

The number and variety of designations of such employees shall be as small as practicable, and the duties assigned to them shall be confined, as far as possible, within the lines indicated by their titles or for which they may have passed examinations. Their salaries shall be fixed at the rates stated in this schedule, which are appropriate to the value of their services.

SEC. 2. That hereafter when appropriation acts, in providing for clerks in the several bureaus, offices, and divisions, shall state the number of senior clerks, clerks, junior clerks, and under clerks to be allowed to each, without specifying the several rates of salaries, the proper appointing officers shall, the first time appropriation is made in this manner, distribute the clerks of each bureau, office, or division, at the rates of salaries prescribed in said schedule, in such numbers and proportion as not to exceed the total amount allowed for salaries for the fiscal year to said bureau, office, or division; and thereafter when employees of the clerical grades are provided for without specification of salaries, the amount of salaries to be allowed to the several bureaus, offices, or divisions shall be determined by the aggregate amount of annual salaries of the employees thereof at the rates of said salaries on the first day of October, modified by such additions or reductions of force as may be provided for; but on the first day of January and the first day of July of every year those clerks who have shown a satisfactory degree of efficiency in their work shall be advanced to the next higher rates of salary within their several grades above those which they have been receiving for one year or more; and the additional amounts necessary to cover the cost of said semiannual advancements of clerks shall be appropriated in general terms: *Provided*, That nothing herein shall prohibit the promotion or reduction of clerks or other employees from one grade to another at any time when vacancies occur in the numbers provided for any grade.

SEC. 3. That all laws and parts of laws inconsistent with this act are hereby repealed.

THE HAMILL BILL.

[H. R. 9242, Sixty-second Congress, first session.]

A BILL To provide for the retirement of employees in the civil service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That beginning with the first day of July next following the passage of this act all employees in the classified civil service shall be eligible for retirement as hereinafter provided.

SEC. 2. That any employee who has served the United States for thirty years or more and who shall have attained the age of sixty years or over shall receive fifty per centum of the average annual salary, pay, or compensation he may have received for the five years next preceding his retirement. Any employee who has served the United States for a period of from twenty-five to thirty years and who shall have attained the age of sixty-two years or over shall receive forty-five per centum of the average annual salary, pay, or compensation he may have received for the five years next preceding his retirement. Any employee who has served the United States for a period of from twenty to twenty-five years and who shall have attained the age of sixty-five years or over shall receive forty per centum of the average annual salary, pay, or compensation he may have received for the five years next preceding his retirement.

SEC. 3. That no employee provided for in this act shall be retained in the service after arriving at the age of seventy years.

SEC. 4. That the payments provided for in this act shall be paid quarterly throughout the life of the employee.

SEC. 5. That any employee to whom this act applies who has served the United States for not less than five years and who, by reason of accident or illness not due to vicious habits and without fault or delinquency on his part, has become disabled, shall be retired from the service on certificate from the head of the department or independent office in which he is employed to the Secretary of the Treasury, setting forth such disabilities, and on the approval of the Secretary of the Treasury he shall receive thirty per centum of his average annual salary, pay, or compensation for the five years next preceding his retirement for from five to ten years of service; forty per centum for from ten to twenty years of service; fifty per centum for twenty-one years and over.

SEC. 6. That for the purposes of this act the period of service shall be computed from original employment, whether as a classified or unclassified employee, and shall include periods of service at different times and service in one or more departments, branches, or independent offices of the Government, the Signal Corps prior to July first, eighteen hundred and ninety-one, and the general service in or under the War Department prior to May sixth, eighteen hundred and ninety-six.

SEC. 7. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, a sum sufficient to carry out the purposes of this act.

SEC. 8. That the Secretary of the Treasury is hereby authorized to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

THE PETERS BILL.

[H. R. 11661, Sixty-second Congress, first session.]

A BILL To provide for the retirement of employees in the civil service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, beginning with the first of July next following the passage of this act, all employees in the classified civil service shall be eligible for retirement as hereinafter provided.

SEC. 2. That any employee who has served the United States for at least thirty-five years, and who shall have attained the age of sixty years, shall receive six-twelfths of the average salary, pay, or compensation he may have received for the five years next preceding his retirement. Any employee who has served the United States for at least thirty years, and who shall have attained the age of sixty-two years, shall receive five-twelfths of the average salary, pay, or compensation he may have received for the five years next preceding his retirement. Any employee who has served

the United States for at least twenty-five years, and who shall have attained the age of sixty-four years, shall receive four-twelfths of the average salary, pay, or compensation he may have received for the five years next preceding his retirement. Any employee who has served the United States for at least twenty years, and who shall have attained the age of sixty-six years, shall receive three-twelfths of the average salary, pay, or compensation he may have received for the five years next preceding his retirement.

SEC. 3. That no employee provided for in this act shall be retained in the service after arriving at the age of seventy years.

SEC. 4. That all payments provided for in this act shall be paid quarterly throughout the life of the employee.

SEC. 5. That any employee to whom this act applies who has served the United States for not less than five years and who, by reason of accident or illness not due to vicious habits or intemperance, or who, by reason of exigencies of the service, has become disabled, shall be retired from the service on certificate from the head of the department or independent office in which he is employed to the Secretary of the Treasury setting forth such disabilities; and, on the approval of the Secretary of the Treasury, he shall receive an allowance equal to the annuity provided in section two of this act, irrespective of age. If he has served less than twenty years but at least five years, he shall receive two-twelfths of his average salary, pay, or compensation for the five years next preceding retirement. The arrival at the age of seventy years of an employee who has served less than twenty years shall be sufficient evidence of disability for retirement under this section. The Secretary of the Treasury shall terminate the disability allowance granted to any employee whenever, in his judgment, it is proper to do so: *Provided, however,* That the disabled employee may appeal to a commission of three, consisting of a commissioner of the district court of the United States where the disabled employee resides, a supervisory officer or other employee selected by the head of the department or independent office in which the disabled employee was last employed, and a competent citizen of good repute selected by disabled employee.

SEC. 6. That for the purpose of this act the period of service shall be computed from original employment, whether as a classified or unclassified employee, and shall include periods of service at different times and service in one or more departments, branches, or independent offices of the Government, the Signal Corps prior to July first, eighteen hundred and ninety-one, and the general service in or under the War Department prior to May sixth, eighteen hundred and ninety-six.

SEC. 7. That in times of stress any retired employee under the age of seventy, who is able and willing, may be employed as a substitute, auxiliary, or temporary employee, and shall be paid accordingly out of the respective appropriations available for such service; but such employment shall not exceed thirty days' work in any one quarter. Such employment shall not count toward an annuity or disability allowance.

SEC. 8. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, a sum sufficient to carry out the purposes of this act.

SEC. 9. That the Secretary of the Treasury is hereby authorized to perform, or cause to be performed, any and all acts, and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

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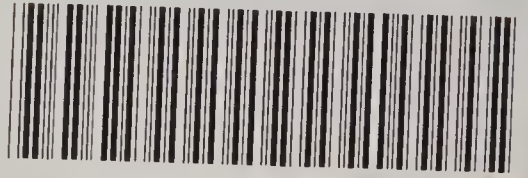




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